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ABSTRACT

This Congressional report focuses on how States are implementing the largest of the Federal elementary and secondary grant programs, Chapter 1 of the Education Consolidation and Improvement Act (ECIA). Much of the information provided in the report, which consists of eight chapters, was derived from interviews with State Chapter 1 directors. Chapter 1 gives a brief history of TItle I and of some of the events that led to the passage of ECIA. Chapter 2 describes changes that have occurred under ECIA in the division of responsibility between the Department of Education and the States. Chapter 3 examines how school districts select schools and children to serve under the program. Chapter 4 looks at States' enforcement of the provisions in Chapter 1 that ensure that Federal funds are spent on the children for whom they are intended. Chapter 5 provides a brief examination of States' and school districts' evaluation practices. Chapter 6 focuses on State monitoring of Chapter 1 projects and State technical assistance to districts to improve program quality. Chapter 7 examines the decline in parent involvement that has occurred in many States and discusses practical ways of increasing that involvement. The end of each of these chapters presents a summary of recommendations. Finally, Chapter 8 discusses conclusions and presents recommendations. It argues against proposals to freeze Chapter 1; calls for increased Federal guidance; recommends funding efforts to improve program quality; and proposes strengthening Chapter 1's parent involvement provisions. Two appendices present the study questionnaire for State Chapter 1 directors and a list of interviews with the directors. (KH)

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99th Congress
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COMMITTEE PRINT

REPORT ON CHANGES UNDER CHAPTER 1 OF THE EDUCATION CONSOLIDATION AND IMPROVEMENT ACT

PREPARED FOR THE

SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR

UNITED STATES

HOUSE OF REPRESENTATIVES

U.S. DEPARTMENT OF EDUCATION
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A MATTER OF INTERPRETATION: CHANGES UNDER CHAPTER 1 OF THE EDUCATION CONSOLIDATION AND IMPROVEMENT ACT

BY

JOHN CHRYSOSTOM DOUGHERTY, IV

INTRODUCTION

Chrys Dougherty served as a Johnson Congressional Intern with the Committee on Education and Labor during the summer of 1984. His work during this internship was primarily devoted to a substantive study of how States were implementing the largest of the Federal elementary and secondary education grant programs, Chapter 1 of the Education Consolidation and Improvement Act. At the time of his internship, Mr. Dougherty was also a student in the masters' program at the LBJ School of Public Affairs at the University of Texas at Austin.

As a result of that internship with the Committee, Mr. Dougherty has produced a thorough and informative study which I believe deserves wide dissemination among the education community. I expect this report to be of great interest to those at the Federal, State and local level who are involved in legislating, overseeing, implementing, or monitoring the Chapter 1 program. I hope that all who peruse this volume will pay particular attention to the conclusions in the final chapter, which include some noteworthy recommendations for the future directions of the program.

Augustus F. Hawkins
Chairman

ACKNOWLEDGEMENTS

The writer owes a debt of gratitude to a number of people who made this report possible. Prominent on the list are Professor Wilbur Cohen of the Lyndon B. Johnson School of Public Affairs, who helped to arrange my internship with the House Education and Labor Committee; to Jack Jennings and Nancy Kober of the Committee staff, whose helpful comments, support, and interest in the results were invaluable; and to Professors Norton Grubb and Deborah Verstegen, whose comments and suggestions were extremely useful in producing this report.

To the fifty state Chapter 1 directors, I hope the usefulness of this report and its effect on Congressional policy will justify the time they so patiently gave in responding to an extremely long and detailed list of questions.

Finally, but by no means least important, this report was largely made possible by the patience of my wife Mary Ann, to whom the report is dedicated.

Austin, Texas
May 1985

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LIST OF ABBREVIATIONS

ECIA	The Education Consolidation and Improvement Act of 1981
ED	The U.S. Department of Education
EDGAR	The Education Department General Administrative Regulations
ESEA	The Elementary and Secondary Education Act of 1965
FY	Fiscal Year
GEPA	The General Education Provisions Act of 1969
IG	The Office of the Inspector General in the U.S. Department of Education
LEA	Local Educational Agency, i.e., a local school district
NRG	The Nonregulatory Guidance on Chapter 1 published by the U.S. Department of Education
OMB	The Office of Management and the Budget
PAC	Parent Advisory Council
SEA	State Educational Agency

Introduction
From Title I to Chapter 1: The Continuing Need for Federally-Funded Compensatory Education

The largest federal aid program to elementary and secondary education operates under Chapter 1 of the Education Consolidation and Improvement Act (ECIA). Under the provisions of Chapter 1, the federal government will dispense approximately $3.003 billion in the 1984-85 school year to elementary and secondary schools in low-income areas, to aid children with deficiencies in basic skills such as reading and mathematics. In addition, states and districts will receive $258 million to operate programs for migratory children, $146.5 million for handicapped children, and $32.6 million for neglected and delinquent children in 1984-85. [1]

Programs such as those funded by Chapter 1 are often referred to as "compensatory education." The concept of compensatory education arose in the early 1960s as part of the interest in eliminating poverty. The architects of the War on Poverty viewed education as critical to breaking the "cycle of poverty," and saw the failure of the children of the poor to do as well in school as their middle-class peers as an important factor perpetuating that cycle.

In this view, since the children of the poor are no less intelligent than the children of the middle class, differences in their achievement must result from low-income children having fewer opportunities to learn than their more affluent peers. Educators have long recognized the importance of the home environment to a child's success in school. In the 1960s compensatory education advocates began to use the term "educational deprivation" to describe the systematic disadvantages in non-school learning opportunities that some children face, particularly children from low-income backgrounds. The phrase "compensatory education" came from the need to "compensate" for the low-income child's educational deprivation by offering more intensive instruction.

Federal compensatory education programs arose from Congress's perception that states and local school districts were not doing enough to meet the special needs of the educationally deprived child. Many local school boards did not recognize the nature of the problem, and the ones that did, rarely invested the large amount of local resources needed to operate adequate compensatory programs. [2] Local politics also reduced the likelihood of an adequate local solution to the problem: typically the majority of the educationally deprived came from socioeconomic groups with low political influence, and school boards were vulnerable to pressures from

more affluent parents for lower taxes and greater services for their children.

Economic factors also helped to cause underfunding of compensatory education at the local level. High concentrations of educationally deprived children were often found in districts with the least taxable local wealth. Consequently, districts with the greatest need for compensatory programs were frequently the least able to fund those programs. Moreover, many of the benefits of education spilled beyond the boundaries of the state and local jurisdictions that had to bear the full cost of educating the students in their care. This increased the tendency of these jurisdictions to spend less on compensatory education than was in the national interest.

For their part, states funded few special programs for educationally deprived children. State aid to low-income districts had failed to give those districts enough resources to cope with the problem, and states did not compel districts to use the resources at their disposal to provide adequate services for children who were educationally deprived. In addition, the highest concentrations of educationally deprived students were generally found in the lowest-income states, particularly in the South, with the lowest overall per-pupil education spending and the least state support for programs of compensatory education.

In response to this situation, in 1965 Congress enacted Title I of the Elementary and Secondary Education Act. Title I's Declaration of Policy described the law's purpose:

> In recognition of the special educational needs of children of low-income families and the impact that concentrations of low-income families have on the ability of local educational agencies to support adequate educational programs, the Congress hereby declares it to be the policy of the United States to provide financial assistance (as set forth in this title) to local educational agencies serving areas with concentrations of children from low-income families to expand and improve their educational programs by various means (including preschool programs) which contribute particularly to meeting the special educational needs of educationally deprived children.

Title I established a three-tier division of responsibility among the federal government, states, and local school districts. School districts ("local educational agencies", or LEAs) were responsible for the actual details of designing and operating programs for educationally deprived children. State educational agencies (SEAs) approved school districts' applications for Title I funds and supervised those districts to ensure that the program served the targeted students. The federal government, through the U.S. Office of Education, allocated Title I funds to states, made certain that states enforced the law's provisions, and provided regulations and interpretations of those provisions. The purpose of federal enforcement was to ensure that federal funds would be used in every state to serve the children that Congress

intended the program to serve. Without a framework of federal enforcement, some states might fail to enforce the law's provisions, and the purpose of the program would be defeated.

When Congress modified Title I by enacting Chapter 1 of the Education Consolidation and Improvement Act in 1981, it recognized that the fundamental conditions that made Title I necessary continued to exist. School districts must still educate large numbers of children whose home environments prepare them poorly for success in school. Although the federal program has never served more than about half of the children who need compensatory services, many districts lack adequate state- or locally-funded compensatory education programs. [3] Only twenty states in 1984 had state compensatory education programs of any sort. Most of these programs were small, and many were established in response to the existence of the federal program.

Similarities Between Chapter 1 and Title I

Chapter 1 retains many basic provisions of Title I. Chapter 1's Declaration of Policy recognized the continuity of purpose between Title I and Chapter 1:

> to continue to provide financial assistance to meet the special needs of educationally deprived children, on the basis of entitlements calculated under Title I of the Elementary and Secondary Act of 1965...Further, the Congress recognizes the special educational needs of children of low-income families, and that concentrations of such childen in local

> educational agencies adversely affect their ability to provide educational programs that will meet the needs of such children....

Under Chapter 1 as under Title I, the federal government provides grants to states based on a formula that takes into account state per-pupil expenditures and the number of low-income children in each county in the state. States, in turn, distribute the money to school districts based on counts of low-income children derived from census or National School Lunch Program data. Districts can only operate Chapter 1 programs in "eligible" schools. This means, with certain exceptions spelled out in the 1983 Technical Amendments to Chapter 1, schools with a higher-than-district-average number or percentage of low-income children.

As under Title I, Chapter 1-funded services in eligible schools must be targeted on the specific children with the greatest level of educational deprivation. To be eligible to receive Chapter 1 funds, school districts must identify these children, determine in which grades and subject areas Chapter 1 services are most needed, and develop programs to help educationally deprived children catch up with their peers. Unless certain restrictive conditions hold, Chapter 1-funded services cannot be offered to the general student population, but only to those children identified as educationally deprived. Children in the program have to receive more intensive educational services than children not in the

program, and federal dollars can pay only for the incremental cost of the additional services. Schools and children participating in the program have to receive their fair share of state and local educational dollars, except that (unlike under Title I) districts may allocate all of their state and local compensatory education dollars to non-Chapter 1 schools. School districts must make arrangements to serve private school children who would have been eligible for Chapter 1 services had they attended public school.

Like Title I, Chapter 1 requires districts to evaluate the effectiveness of their federally-funded compensatory programs by a set of methods that includes objective tests of the students' achievement in basic skills. Districts must examine whether these gains are sustained over time, and must use the evaluation results to make necessary changes in the design of the program.

Changes in the Law Under Chapter 1, ECIA

The enactment of the Education Consolidation and Improvement Act was the result of a drive by Congressional Republicans to reduce the regulatory role of the U.S. Department of Education (ED), shifting to the states much of the responsibility for making decisions about how the law should be interpreted and enforced. [4] The bill's proponents also sought to modify or eliminate provisions in the law that

were perceived as imposing an excessive paperwork or administrative burden on states and LEAs. Chapter 1's Declaration of Policy states that the program's goal is to provide assistance:

> In a manner which will eliminate burdensome, unnecessary, and unproductive paperwork and free the schools of unnecesary Federal supervision, direction, and control....The Congress also finds that Federal assistance...will be more effective if education officials, principals, teachers, and supporting personnel are freed from overly prescriptive regulations and administrative burdens which are not necessary for fiscal accountability and make no contribution to the instructional program.

To accomplish these objectives, ECIA removed most of the language in Title I spelling out the authority and responsibilities of states, the federal government, and local school districts, and limited the U.S. Department of Education's authority to write regulations. The result has not been the elimination of federal enforcement entirely, which Congress had no intention of doing. Federal supervision and enforcement remains in the form of audits conducted by the Department of Education's Office of the Inspector General (IG), IG supervision of audits conducted under the Single Audit Act, and federal program reviews of states to ensure that state monitoring, enforcement, and technical assistance are adequate. Through its Nonregulatory Guidance the Department of Education continues to provide information about what sorts of practices should be acceptable to auditors. In the view of

many states, however, this information is not as extensive as that available under Title I, with the result that increased flexibility for states and school districts is accompanied by increased risk of audit exceptions. [5] The reduced amount of federal interpretation through regulation also means that courts have less federal guidance in interpreting Chapter 1 in future court cases, possibly making the courts' rulings less predictable.

The increase in state responsibilities was accompanied by reduced funding for state Chapter 1 offices to carry out those responsibilities. Chapter 1 reduced the maximum allocation for state administration from 1.5 percent to 1.0 percent of the Chapter 1 budget. [6] The justification for reducing the state administrative allocation was that Chapter 1's simpler requirements ought to be less expensive to administer, freeing a higher portion of a reduced appropriation for direct services to children. This argument overlooked the possibility that the states' administrative role might change, with states taking on a more active role in providing technical assistance to help LEAs improve the effectiveness of their programs.

Chapter 1 also eliminated the Title I requirement for Parent Advisory Councils (PACs) in districts and individual school buildings, and substituted a requirement that Chapter 1

programs be "designed and implemented in consultation with parents and teachers." The November, 1983 Technical Amendments to Chapter 1 added a requirement that districts "convene annually a public meeting, to which all parents of eligible students shall be invited, to explain to parents the programs and activities provided with funds made available under this chapter..." and specified that "if parents desire further activities, the local educational agency may, upon request, provide reasonable support for such activities."

As part of the emphasis on reducing paperwork and administrative workload, Chapter 1 eliminated certain reporting requirements by states and school districts and continued Title I's three-year application process. [7] Chapter 1 also relaxed certain Title I requirements, such as the requirement that districts maintain the same level of state and local spending from year to year and that districts spend a proportionate share of state and local compensatory education money in schools served by Chapter 1 funds. The Technical Amendments exempted small school districts from having to count low-income students to determine school eligibility.

Reduction in Funding and Services

In addition to modifying the law, Congress reduced spending on Chapter 1 programs. Table I.1 lists the effects these reductions had on the number of children served by

Chapter 1. The table shows that the number of children served by Title I/Chapter 1 declined by about 640,000 between the 1979-80 and 1982-83 school years. Moreover, the percentage of the Nation's total preschool, elementary, and secondary enrollment who were served by federally-funded compensatory education fell in those years. Thus, the contention that Chapter 1 cuts were justified by declining enrollments does not appear to have been borne out.

Table I.1
Funding and Number of Children Served
Under Title I and Chapter 1

School Year	Chapter 1 (Basic) Spending in Nominal Dollars (Millions)	Chapter 1 (Basic) Spending in 1979 Dollars (Millions)	Number of Children Served (Millions)	Percent Total Enrollment Served (k-12)
1979-80	2776.6	2776.6	5.385	11.54
1980-81	2731.7	2388.5	5.281	11.49
1981-82	2611.4	2207.0	4.842	10.71
1982-83	2562.8	2070.2	4.746	10.61
1983-84	2727.6	2097.2	n.a.	n.a.
1984-85	3003.7	2228.6	n.a.	n.a.

Source: U.S. Department of Education. The GNP deflator was used as an inflation index to convert current to constant dollars.

School districts responded to reductions in funding by

reducing real spending per pupil to make the existing Chapter 1 dollars stretch farther. Between 1979-80 and 1982-83 expenditures per Chapter 1 student fell from $516 to $436 in 1979 dollars. As a result, the ratio of Chapter 1 pupils to instructional staff (teachers and aides) increased by 11 percent, from 32:1 to 36:1. Reduction in the number of Chapter 1 teacher aides accounted for most of this worsening in the pupil/staff ratio. [8]

Reduced funding can deny districts the ability to select the most suitable teachers for Chapter 1, independent of the teachers' experience levels. As the Chapter 1 co-ordinator in a small low-income North Texas district said:

> When everyone else's salary goes up, Chapter 1 money stays the same, so [my district] uses less experienced teachers for the Chapter 1 program. When the teachers get too costly due to their experience, we move them out of Chapter 1.

Structure of This Report

With the reduction in the federal role under Chapter 1, states have an increasingly important role in administering the program and providing technical assistance to school districts to improve program quality. This report examines how states are handling those increased responsibilities in an environment of reduced overall funding for the program. Although a detailed study of local district Chapter 1 programs was beyond the scope of this study, interviews with state Chapter 1

directors provided a substantial amount of information about local districts' responses to changes in federal funding and policy.

The purpose of these interviews was to examine how federal and state administration of the "basic" part of Chapter 1 -- that which provides grants to school districts to work with educationally deprived children -- has changed from the days of Title I. Are the same groups of children being served, how are Chapter 1's provisions interpreted and enforced, and what is being done to improve the quality and effectiveness of Chapter 1 projects?

To answer these questions, I interviewed Chapter 1 directors in forty-seven states twice by telephone, once in June-August and again in September-November, 1984. In addition, the remaining three states filled in a written questionnaire containing the questions asked in both sets of telephone interviews. Appendix A contains the list of questions asked in these interviews.

The information gained from the interviews is organized into several chapters. Chapter 1 of this report gives a brief history of Title I and of some of the events that led to the passage of ECIA. Chapter 2 describes changes in the division of responsibility between the US Department of Education and the states that have occurred under ECIA. Chapter 3 examines how

school districts select schools and children to serve under the program; Chapter 4 looks at states' enforcement of the provisions in Chapter 1 that ensure that federal funds are spent on the children for whom they are intended.

The next three chapters -- Chapters 5, 6, and 7 -- examine issues related to improving Chapter 1's effectiveness. Chapter 5 provides a brief examination of states' and school districts' evaluation practices. Chapter 6 focuses on state monitoring of Chapter 1 projects and at state technical assistance to districts to improve program quality. Chapter 7 examines the decline in parent involvement that has occurred in many states and discusses practical ways of increasing that involvement.

The end of each chapter presents a summary of recommendations. These may be grouped into four major areas of concern that are discussed in the report's conclusion: maintaining adequate funding for the program, maintaining adequate federal guidance to the states, expanding efforts to improve program quality, and strengthening parent involvement.

As the National Commission on Excellence in Education explained in A Nation At Risk:

> The Federal Government has the primary responsibility to identify the national interest in education. It should also help fund and support efforts to protect and promote that interest. It must provide the national leadership to ensure that

the Nation's public and private resources are marshaled to address the issues discussed in this report.

Improving our ability, through compensatory education, to educate large numbers of students who are at great risk of future school failure and unemployability is certainly part of "the national interest in education."

NOTES TO THE INTRODUCTION

1. For the 1985-86 school year Congress appropriated $3.688 billion, of which $3.2 billion will provide grants to local school districts to serve educationally disadvantaged students in the general school population, $265 million will serve migratory students, $150 million will serve handicapped students mostly in state institutions, and $33 million will be used for educational programs for neglected or delinquent children. In addition, states will receive $36 million to administer the program and $5 million will be used for evaluation and technical assistance for program improvement.

2. In 1962 the Educational Research Service surveyed superintendents of 150 large school districts to determine what programs the districts operated for the educationally disadvantaged. Of 83 superintendents responding, 42 stated that they had some sort of program for the educationally disadvantaged. However, most of these were small pilot programs, and some were descriptions of general district

programs without any special emphasis on the needs of the educationally deprived. U.S. Congress, Senate Committee on Labor and Public Welfare, Hearings on the Elementary and Secondary Education Act, 89th Congress, 1st session, 1965, 752-813.

3. In the FY 1985 hearings before the House Appropriations Committee, a spokesperson for the Department of Education estimated that federal compensatory programs serve 80 percent of those students in need. However, if the twenty-fifth percentile is used as a rough indicator of the number of students in need of serious remedial or compensatory assistance, Chapter 1 serves less than half of the Nation's students requiring such assistance.

4. In keeping with the intent to reduce the federal influence on educational priorities, Chapter 2 of ECIA consolidated into one block grant forty-three pre-existing federal programs, twenty-eight of which had received funding the previous year. The block grant gave school districts complete flexibility on how much of their Chapter 2 money, if any, to spend for the purposes mandated by each program. The block grant process also spread the relatively small amount of Chapter 2 money out among more districts, so that many big-city districts lost funding while smaller suburban and rural districts and private schools gained funding. Since so many

types of spending are allowed by one or another of the forty-three programs, some have contended that Chapter 2 comes close to being general aid to schools. Critics of Chapter 2 have argued that many federally-sponsored objectives, such as developing magnet schools in desegregating districts, will be lost in the shuffle.

5. School districts take audit exceptions seriously because they may result in the districts' having to repay federal funds that the audit determines were misspent.

6. The FY 1984 appropriation (for the 1984-85 school year) gave SEAs $34.4 million to administer $3.44 billion in grants.

7. The 1978 Education Amendments (PL 95-561) permitted a three-year application process under Title I; in this respect ECIA sought to encourage wider use of an already existing practice.

8. The source for the data on the number of children served and Chapter 1 teacher/pupil ratios is U.S. Department of Education, "ECIA Chapter 1 Grants to Local Education Agencies: A Summary of the 1982-83 State Reports" (Draft Report, November, 1984). Data on total public and private school enrollment is from the National Center for Educational Statistics, The Condition of Education: 1984 Edition

(Washington, D.C.) Table 1.1.

Similar declines have occurred in constant-dollar funding for programs for migrant, handicapped, and neglected or delinquent students, as Table I.2 indicates.

Table I.2
Constant-Dollar Funding of Programs for Migrant, Handicapped, and Neglected or Delinquent Children

Title I/ Chapter 1 Program	Funding Level in 1979-80 (Millions of 1980 Dollars)	Funding Level in 1983-84 (Millions of 1980 Dollars)
Migrant	245.0	216.7
Handicapped	145.0	124.1
Neglected or Delinquent	35.6	27.6

Source: U.S. Department of Education. The GNP deflator was used to convert the Department's 1983-84 figures into 1980 dollars.

Chapter 1
Background to ECIA:
A Brief History of Title I

The changes made by the Education Consolidation and Improvement Act reflected three criticisms by Congressional Republicans of Title I: that the law and its accompanying regulations had become too complex, that the federal regulatory role in defining acceptable practices under Title I had become too large, and that specific Title I requirements imposed too much of a paperwork and "red tape" burden on states and local school districts. In effect, ECIA was another manifestation of the longstanding disagreement over the proper level of federal involvement in influencing educational priorities at the local level. [1]

The Early History of Title I:
The Question of General Aid

From 1945 to 1964, repeated attempts by proponents of large-scale federal aid to elementary and secondary schools to get a bill through Congress foundered on what opponents of such aid called the "3 R's:" "Race, Religion, and 'Reds.'" On the race question, Northern liberals did not want to vote for a bill that provided federal aid to the South's segregated schools, and Southern conservatives would not vote for a bill that denied aid to those schools. Likewise, Catholics opposed

any bill that denied aid to parochial schools, and advocates of the separation of church and state opposed any bill that would provide such aid. "Reds" referred to conservatives' fears that federal aid would lead to centralized federal control of education. [2]

In early 1965 the Johnson Administration and Congressional advocates of federal aid were able to break this impasse, for several reasons. The passage of the 1964 Civil Rights Act ended the dispute over whether an aid bill should ban aid to segregated schools, as Title VI of that law made federal aid to segregated schools illegal in any event. The impasse over aid to parochial schools was broken in part by Title I's concept of "child benefit": since the aid was designed to benefit children and not schools, federal aid could flow to children in parochial schools without constituting aid to the school itself.

Perhaps most important of all, the election of a large liberal majority in the House of Representatives in Lyndon Johnson's landslide victory of 1964 gave education aid proponents the votes they needed to overcome conservative opponents. In particular, moderates and liberals finally succeeded in reducing the power of the House Rules Committee, which previously had the ability to block legislation by preventing it from coming before the House. [3]

As passed in 1965, ESEA authorized $1.3 billion to be distributed through five titles. In addition to Title I, they were: Title II, which helped schools purchase library and instructional materials; Title III, which provided matching grants to LEAs to operate supplemental educational centers and services; Title IV, which funded educational research and demonstration projects; and Title V, which gave money to SEAs to improve state administration of educational programs.

Much confusion in the early implementation of Title I grew out of the fact that in the eyes of those in Congress who passed the legislation, Title I actually had two purposes. One was to provide financial assistance to school districts suffering from the adverse "impact that concentrations of low-income families have on (their) ability... to support adequate educational programs." In other words, Title I was intended as a form of equalization aid to poor districts which had large numbers of educationally deprived students but were less able to support the additional expense of educating those students. Just as Congress, in 1950, could offer aid to districts suffering from the "impact" of federal activity, so Congress could help districts coping with the impact of high low-income concentrations.

The second purpose of Title I was to provide aid

directly to educationally deprived children by funding programs to meet their "special educational needs." There is evidence that many of Title I's most influential congressional backers were most interested in the first objective, channeling federal funds to low-income districts, and saw the emphasis on aid to specific children as a way to get the legislation past the aid-to-parochial-schools barrier. In these congressmen's view, Title I was in effect a type of general aid to public schools, and the "child benefit" theory only applied in the case of private schools. [4]

If Title I aid was to meet the special educational needs of educationally deprived children, however, the program could not simply be one of general aid to school districts. That was the view of regulators in the U.S. Office of Education (USOE) when they set out to interpret the Congressional intent behind the legislation. The regulators reasoned that if the money was spread out among the general school population, the amount spent per child would be too small to provide significant help for the educationally deprived. Thus, reading the law literally, the program would fail to "contribute particularly" to meeting those children's "special educational needs." Accordingly, USOE issued guidelines and regulations prohibiting use of Title I funds to provide general aid to the overall school population. [5]

Many school districts, on the other hand, treated Title I as general aid. They reasoned that anything which helped them to strengthen their overall educational program would also help meet the needs of the educationally deprived. USOE, for its part, did little between 1965 and 1970 to enforce its own regulations, and many states likewise adopted a hands-off attitude. There was a great deal of resistance by states and local districts in the late 1960's to any federally-enforced restrictions on local practices. [6] Consequently, in the early years of Title I there was a large divergence between the program mandated on paper and the program that actually existed in the schools.

Congress Strengthens Title I's Requirements

This situation began to change after 1969, largely as a result of an influential report by Ruby Martin and Phyllis McClure, two researchers for the Washington Research Project of the NAACP Legal Defense and Educational Fund. Using data gathered by federal auditors, Martin and McClure documented the use of Title I funds for general aid, and the use of those funds in the South to pay educational expenses for black students that were provided for white students out of local resources. [7]

The Senate Committee on Labor and Public Welfare cited

the findings of the Martin-McClure report in expressing:

> its deep concern about the necessity for stronger enforcement of title I requirements by both Federal and State agencies in monitoring the legitimate and effective use of funds by local educational agencies...The mission of title I involves overcoming the educational deprivations of children who are the victims of poverty. It is incumbent upon Federal, State, and local officials to assure that the funds are concentrated on the priority needs of poor children and are not diverted to meeting other needs of school systems, however pressing these other needs may be. [8]

As a result of this concern, Congress clarified its intent with amendments to the law. In the Education Amendments of 1969, Congress prohibited use of Title I funds to supplant local expenditures, and required that districts not discriminate against Title I schools in their allocation of state and local funds. [9]

The 1969 Amendments incorporated the General Education Provisions Act (GEPA), one of whose provisions gave the U.S. Office of Education authority to issue regulations mandating parent participation in federally-funded education programs whenever "the Commissioner determines that parental participation at the State or local level would increase the effectiveness of the program in achieving its purposes." In October, 1971, USOE responded to the GEPA language on parent participation by issuing the first regulation mandating district-wide Parent Advisory Councils (PACs), giving those

councils the right to obtain detailed information about the district's Title I project. The Title I regulations stressed that districts consult with parents in the planning, development, and operation of Title I projects. In 1974 Congress required districts to operate Parent Advisory Councils at the building as well as the district level.

At the time, the advocates of PACs saw one of the councils' main functions as aiding in the enforcement of the law: the PACs would watch over the local school district, making certain it did not use Title I funds illegally and reporting any violations.

Pressure from Congress for greater federal enforcement of Title I's provisions led to major changes in the administration of the program. In 1970 USOE began regular monitoring of SEAs, pressuring them to enforce the law. At the same time, the agency began pressuring SEAs to return money that federal auditors had found districts had misspent. During the 1970's, states tightened up their enforcement of Title I's requirements, and legislative changes made by Congress, particularly the 1978 mandate for states to submit Monitoring and Enforcement Plans (MEPs), contributed to this trend.

In addition, much of Congress's legislative energy in the first ten years of the program went into developing a

formula for allocating Title I funds that represented a politically acceptable compromise between relatively poor, rural Southern states and Northern and Western states with less absolute poverty but with larger concentrations of the urban poor. On the House side, the fact that the chairman of the House Education and Labor Committee during this period, Representative Carl Perkins (D-Ky), represented a depressed rural district in eastern Kentucky, gave the Southern and rural states an advantage in these legislative battles.

By the late 1970s, SEAs and LEAs seemed to have learned and accepted their respective roles and responsibilities, and studies conducted in the late 1970s and early 1980's reported fewer implementation problems than in the late 1960s. Gaining voluntary compliance from LEAs became easier, according to Chapter 1 directors with memories of the early days of Title I, because school districts understood the law better and knew that certain types of violations would not be allowed.

Had Regulation Gone Too Far? The Passage of Chapter 1

As Title I matured, the law and regulations became more complex, as is frequently the case with legislation that is amended numerous times to take into account situations that the program's originators did not foresee. This complexity became a focus of criticism of the program by some conservatives in

Congress, notably Representative John Ashbrook (R-Oh). Critics of the program raised again the issue prevalent in the 1960s of how much federal supervision of local programs was desirable, and contended that certain requirements of Title I created an excessive paperwork and administrative burden in local school districts.

In effect the critics' argument was that although heavy regulation may have been necessary in the early days of the program to assure that Title I funds were appropriately targeted and that parents were involved in the program, the regulations had become too detailed and burdensome and had outlived much of their usefulness. As Congressman Ashbrook expressed this view:

> This bill does not eliminate basic protections we have written into law to insure that Federal education aid is used to actually make a difference -- provisions requiring maintenance of effort, prohibiting supplanting of State and local funds by Federal funds, and similar provisions. But in each case these are rewritten at the suggestion of school administrators to give them enough flexibility to fit actual circumstances and in insure that they are not punitive in nature. The redrafting of these provisions also removes most of the need for Federal regulation, which is a concern of the administration which I share.
>
> This bill would also eliminate most of the 10 million hours of paperwork our school people must complete each year to comply with current law and regulations governing these programs. This is a staggering burden which adds nothing to the instruction of children. [Emphasis added] [10]

The proponents of preserving the requirements in Title I argued, on the other hand, that the program was working well precisely because of the federal regulatory structure that had been established; that there was still political pressure on many districts to use federal funds for general aid or local tax relief; and that without backing from the federal government, some States might not act to prevent school districts from giving in to those pressures. These proponents argued further that many districts would avoid involving parents unless the law mandated specific forms of parent involvement; and that loosening the regulatory requirements on districts would "send the wrong message" -- that Congress no longer cared whether schools used all of the Title I funds to help educationally deprived children.

When the Reagan Administration took office in early 1981, it proposed consolidating most federal elementary and secondary education programs into two block grants to states and school districts. This would have placed compensatory education in competition with aid to the handicapped and other federal education programs, leaving SEAs and LEAs to decide what proportion of a reduced appropriation to spend on which program. Congressional Republicans realized that such a measure could not and should not pass; the bill they substituted, which kept Title I and handicapped aid separate

and consolidated forty-three other federal education programs, became the Education Consolidation and Improvement Act of 1981. "We had the opportunity on the Republican side to rewrite [the law], and we kept Title I intact absolutely," said Charles W. Radcliffe, then minority staff director of the House Education and Labor Committee. "We did do a lot of simplifying, cut the paperwork and the unproductive red tape." [11]

However, those who had argued for preserving Title I in its late 1970s form contended that simplification could be a two-edged sword. "If you look closely at [Title I], seventy percent of the words are exceptions, options, and exclusions, and all of these increase flexibility," said one of these advocates after Chapter 1 was passed. "In many cases, by reducing the number of words they actually increase the restrictiveness. If the first sentence sets the standard and the next seventy-five outline five exceptions, now they only have the standard and no exceptions." [12] It was in part to preserve these exceptions, as well as to clarify some of the most controversial parts of the bill, that Congress passed the ECIA Technical Amendments in late 1983.

One form that simplification took under Chapter 1 was the omission of Title I's description of states' enforcement powers and of their responsibility to monitor and provide technical assistance to LEAs. ECIA preserved the enforcement

powers of the U.S. Department of Education, but reduced ED's regulatory authority and eliminated provisions requiring the Department to offer technical assistance to SEAs and to develop and enforce a common reporting system for Title I evaluation results. The next chapter of this study examines how these changes have affected states' perception of their own responsibilities, and how the federal role has changed under Chapter 1.

NOTES TO CHAPTER 1

1. Since the major expansion of federal programs in the mid-1960s, the debate over the federal role has largely focused on how many conditions or "strings" the federal government should place on its aid to other governmental units. During the 1970s discussion centered on whether the federal government, as a presumably more efficient revenue-raising agent, should simply serve as tax collector for local governmental entities, or whether the federal government should use its aid to support specific federally-defined priorities.

Specifically, the debate has centered on the relative desirability of giving federal aid in the form of "categorical grants," in which the purposes for which the money may be spent are narrowly defined; in the form of "block grants" in which aid may be used for a much broader range of purposes; or as

"revenue sharing," in which the aid is given virtually without conditions. Congress has considered categorical grants appropriate for two types of objectives: those which states and localities are systematically likely to underfund, and those which are of such great national importance that adequate funding should not be left up to local discretion.

In the view of Title I/Chapter 1 advocates in Congress, both arguments for categorical funding apply to compensatory education: a) since the educationally disadvantaged are expensive to educate but their parents are not likely to be politically influential, reasons exist why states and localities may systematically underfund compensatory education; and b) increasing the future productivity of the educationally disadvantaged is too important a national priority to leave up to state and local discretion.

2. During the 1945-64 period, Congress passed three education aid bills:

Two "Impact Aid" bills (Public Laws 81-815 and 81-874), passed in 1950, provided assistance to districts "impacted" by the presence of federal installations, such as military bases, which pay no local property taxes but whose employees' children enlarge the school population. These bills were an extension of a similar bill, the Lanham Act, passed in 1940.

The National Defense Education Act (NDEA), passed in 1958 in response to the Soviet achievement in orbiting the first artificial satellite, provided matching grants to public schools and loans to private schools for purchasing equipment used in teaching science, mathematics, and foreign languages.

3. Accounts of earlier federal role in education and the successful passage of ESEA are found in a number of sources, including Stephen Bailey and Edith Mosher, ESEA: The Office of Education Administers a Law (Syracuse, New York: Syracuse University Press, 1968), pp. 1-71; Norman C. Thomas, Education in National Politics (New York, N.Y.: David McKay Company, 1975), pp. 19-52; Eugene Eidenberg and Roy D. Morey, An Act of Congress (New York, N.Y.: W.W. Norton and Co., 1969); Jerome T. Murphy, "The Education Bureaucracies Implement Novel Policy: The Politics of Title I of ESEA, 1965-72" in Allan P. Sindler, ed., Policy and Politics in America: Six Case Studies (Boston, Mass.: Little, Brown, and Co., 1973) pp. 163-169.

4. Much of the evidence that many Congressmen saw Title I as disguised general aid is discussed in Floyd E. Stoner, "Federal Auditors as Regulators: The Case of Title I of ESEA" in Judith V. May and Aaron Wildavsky, ed., The Policy Cycle (Beverly Hills, Ca., Sage Publications, 1978), 199-214. A House Committee on Education and Labor staff member interviewed by the author recalled that one of ESEA's chief backers,

Congressman Carl Perkins of Kentucky, initially viewed Title I as general aid.

Interestingly enough, the 1965 Congressional Quarterly Almanac described the passage of ESEA under the headline, "First General School Aid Bill Enacted."

5. Though Office of Education regulations prohibited use of Title I funds for general aid, one set of USOE guidelines issued in 1966, and not rescinded until 1972, seemed to allow use of funds for general aid. A paragraph in those guidelines read in part:

> Some projects will by their very nature tend to benefit all children in a school, whether they are educationally deprived or not. Examples would be projects which devoted substantial resources to reduction in class size; to the addition of guidance counselors, teacher aides, and librarians; to the acquisition of classroom equipment; or the inservice training of elementary school teachers... Projects of (this) type would lend themselves particularly to schools that are severely depressed and overwhelmingly impacted by educationally deprived children from low-income areas.

U.S. Office of Education, Guidelines: Special Programs for Educationally Deprived Children, Elementary and Secondary Education Act of 1965/Title I (OE-35079), as quoted in Robert Silverstein and Daniel Schember, An Analysis of the Basis for and Clarity and Restrictiveness of the Program Requirements Applicable to Local School Districts Applying for Grants Under Title I of ESEA (Washington, D.C.: Lawyers' Committee for Civil

Rights Under Law, 1977) pp. 679-680.

6. An account of the political conflicts in the late 1960's on what restrictions the federal government could place on local practices is found in Hughes, John F. and Hughes, Anne, Equal Education: A New National Strategy (Bloomington, Indiana: Indiana University Press, 1972) pp. 32-131.

7. Washington Research Project, Title I of ESEA: Is It Helping Poor Children? (New York, N.Y.: NAACP Legal Defense and Educational Fund, 1969).

8. Senate Report No. 91-634, U.S. Code Congressional and Administrative News, 1970, 2776-7.

9. In 1974 Congress clarifed the meaning of Title I's supplement-not-supplant provision by incorporated an "excess cost" test of supplement-not-supplant into the law.

10. Statement by Congressman John Ashbrook (R-Ohio), Congressional Record, June 17, 1981, p. 3057. Congress passed the Education Consolidation and Improvement Act as part of the Omnibus Budget Reconciliation Act of 1981 (PL 97-35), the massive budget bill steered through Congress by a Reagan Administration-backed coalition of Republicans and conservative Democrats in the summer of 1981. President Reagan signed the bill into law August 13, 1981; ECIA took effect October 1,

1982.

11. Quoted in Rochelle Stanfield, "'If It Ain't Broke, Don't Fix It,' Say Defenders of Compensatory Aid" (National Journal, Jan. 30, 1982), p. 202. Title I proponents feared that compensatory education would lose the competition for funds that would result from consolidation of Title I with aid for the handicapped. "Handicapped aid is a middle-class program," observed the Rand Corporation's Paul Hill. "Any parents can see themselves needing the program. But they don't believe they'll ever have a Title I kid." (Stanfield, p. 204.)

12. Robert Silverstein, quoted in Stanfield, Loc. cit., p. 203.

Chapter 2
State and Federal Roles Under Chapter 1

Chapter 1 retains Title I's three-tier division of responsibility between the federal government, states, and local school districts. LEAs continue to design and operate Chapter 1 programs, and bear the primary responsibility for ensuring that these programs effectively serve the needs of educationally deprived children. States approve LEA applications for Chapter 1 funds, and by implication, must ascertain whether districts are following the practices described in their applications. The U.S. Department of Education disburses Chapter 1 funds, issues regulations "which are deemed necessary to reasonably insure that there is compliance with the specific requirements and assurances required by (the statute)," and withholds funds from SEAs as needed to enforce compliance with the law. ED also supervises certain efforts to improve Chapter 1 program effectiveness, a matter discussed in more detail in Chapter 6 of this study.

Title I clearly spelled out the division of labor between the federal government, states, and local school districts, and left no doubt that the federal government was the ultimate "standard-setter" for what was and was not in compliance with the law. ECIA's sponsors sought to reduce the U.S. Department of Education's rulemaking powers, by including

language in the statute limiting ED's authority to write regulations. By implication, states acquired an increased responsibility for defining the limits of acceptable practice.

However, two problems accompanied this transfer of responsibility to the states. In its desire to simplify, Congress omitted nearly all of Title I's provisions defining specific state powers and responsibilities. This left unclear what some of those powers and responsibilities were. Second, the law reduced federal rulemaking authority but preserved federal enforcement powers through the audit process. The inevitable result is that a certain amount of "rulemaking" is likely to occur through the audit process, as local and federal auditors take exception to practices for which no clear guidelines exist.

This chapter examines how states and the U.S. Department of Education have interpreted and are carrying out their responsibilities under Chapter 1. First I examine the federal role, which includes allocation of funds to and supervision of SEAs, federal audits by the Office of the Inspector General (IG), and federally-funded efforts to improve Chapter 1 program quality. Next, I look at federal-state supervision of the combined audits of federal programs under the Single Audit Act. Finally, I discuss the state role under Chapter 1, and examine whether Chapter 1 has reduced paperwork

or administrative burden at the state level.

The Federal Role Under ECIA
Allocation of Chapter 1 Funds

The Department of Education allocates Chapter 1 money to states (and through states, to LEAs) according to the same formula used under Title I. This formula takes into account average state per-pupil school expenditures, the state's number of children from families below the poverty level, and the number of children in households with higher than poverty-level incomes currently on the state's AFDC rolls. The law directs the Department of Health and Human Services to provide the AFDC data to the Department of Education no later than January 1, so that calculations can be made and allocations provided to states and LEAs in time to plan their programs for the upcoming school year.

Since it takes about a month for ED to calculate its allocations to states and additional time for states to compute their allocations to LEAs, this process provides some margin of safety for LEAs desiring precise information by May on their Chapter 1 allocation for the upcoming school year. May is a time when many districts must notify teachers whether they will be rehired; although Chapter 1 contains a "hold harmless" guarantee that LEA's automatically receive 85 percent of their previous year's allocation, districts uncertain about the other

15 percent must often send nonrenewal notices to some of their Chapter 1 teachers. When the news of the allocation comes through, those teachers are notified that they will be rehired.

According to the Education Department employee responsible for allocations, the slowness of the Congressional appropriation process for the 1982-83 and 1983-84 school years resulted in delays in allocations to LEAs in those years. Education programs in FY 1982 were funded by a continuing resolution not passed until March 31, 1982; Congress passed the continuing resolution for FY 1983 in December 1982. As a result, ED allocations to SEAs for the 1982-83 school year took place on May 14, 1982, and the 1983-84 allocations occurred on May 20, 1983. According to this employee, the greater promptness of Congress in passing the fiscal 1984 appropriations bill in October, 1983, made the 1984-85 state allocations more timely; the Department targets March 15 as the deadline to make its allocations to states, and for the 1984-85 school year, actually made the allocations on March 30.

Supervision of State Education Departments by the U.S. Department of Education

Chapter 1 created uncertainty about the extent of the Department of Education's power and responsibilities. Although ECIA gives the Department authority "to issue

regulations...which are deemed necessary to reasonably insure that there is compliance with the specific requirements and assurances required by this chapter," the law also states that "In all other matters relating to the details of planning, developing, implementing, and evaluating programs and projects...the Secretary shall not issue regulations." The law here seems to tell the Department, "make necessary regulations but not unnecessary ones," but there is little guidance on what types of regulations are necessary. The Department's response to this ambiguous statutory language has been to issue regulations which do little more than paraphrase the statute.

In addition, ECIA states that that the "Regulations issued pursuant to this chapter shall not have the standing of a Federal statute for the purposes of judicial review." This could make rulings in any future court cases less predictable, because it leaves courts more leeway to come up with their own interpretations of what the statute meant. The fact that the regulations mostly paraphrase the statute and provide little additional guidance, and the Nonregulatory Guidance has no legal standing, may also contribute to the unpredictability of future court decisions.

ED received a clear message from Congress that they should "regulate less," and reacted initially, according to a number of directors, by declining to give opinions and

interpretations of the statute even when states requested those interpretations. Some directors mentioned that ED is now more willing to help, and that the experienced people in the Department have always been helpful to states. However, because of attrition, reassignments, and reductions-in-force, the Department's Chapter 1 office has fewer of these experienced people left with knowledge about the program. And there are possible differences in approach between the program people at the bottom of the agency and their superiors several levels up the chain of command. As several directors described the situation:

> [The Chapter 1 people in ED] were so scared when Chapter 1 first came in. They said they had no authority, and were feeling around for what they could do. Now they've gotten back some of their confidence. We're getting a little more information out of them. But there's nobody back there who knows what's going on. People who were in the program for years have been rotated around to new departments. We can call back but we know more about the program than they do now.
>
> [The Department] is beginning to provide more guidance. For two years they didn't conduct any state reviews. The old standbys in the Department are of assistance. There are so many new people in there and there's such high turnover, and there's no value in talking to the newer people who don't know the law or the regulations. The Department must have stability.
>
> The Department has shuffled so many people around that there are many people who don't know the program. For a long time they were reluctant to even answer questions; they were no help at all last year. That has changed some but they are very careful with interpretations; they don't seem as confident as before. It's tougher than hell to get

anything in writing.

> The Feds are trying to lay it on [my state]. It's a horrendous bureaucracy. They can't give us an answer. It takes them two or three months and when we get it, it's a jigsaw puzzle to figure out what the letter is saying. The letter from Washington does not mention items discussed in the program review. The program people give one message on the program review visits; the letter from Washington gives an entirely different message. It's [due to] the negativism that exists in the Administration.
>
> We've learned not to send requests orally. All requests for advice must be written; the answers come out of one office. You do get a response back, but not from unauthorized people. It's a more formal process.
>
> At the beginning of the process, unless you called them you didn't hear anything from them. Now they're beginning to loosen up and call us, send information, and come out. In the beginning everything with them was hands off; they didn't want to say anything, touch anything, or commit anything.

The majority of state Chapter 1 directors (30) agreed that they would "prefer more guidance" and technical assistance from ED than what they are currently receiving (Table 2.1). The remaining directors either mentioned no problem with ED, or stated that the Department is doing an adequate job. A handful of directors seemed happy to have less supervision from the Department.

Similarly, thirty-three directors did not agree that Chapter 1 "rid schools of unnecessary federal supervision, direction, and control;" twelve directors agreed with that statement, and five were uncertain. One of the thirty-three

directors commented that:

> The Feds [under Title I] were always helpful, not oppressive. The federal role was useful and helpful... I wish we could go back to the Education Department coming up with specific interpretations.

Table 2.1
Number of States that Would "Prefer More Guidance" from ED

	Want More Guidance		ED Guidance Adequate	
	Number	Percent	Number	Percent
Total	30	(62%)	18	(38%)
Large States	9	(60%)	6	(40%)
Medium States	12	(67%)	6	(33%)
Small States	9	(60%)	6	(40%)
North/Midwest	16	(64%)	9	(36%)
South	8	(67%)	4	(33%)
West	6	(55%)	5	(45%)

Total SEAs Responding: 48

The SEA's that want "more guidance" generally perceive that there is less federal regulatory activity overall, but that a greater proportion of the federal supervision that does occur is likely to take place after-the-fact through the audit process. In those states' view, the reduction in ED's ability or willingness to write regulations makes it more difficult to protect districts from future audit exceptions. One Chapter 1 director described this situation as:

> like a minefield. Title I had all the mines marked. Chapter 1 took down all the signs and barbed

wire.

These perceptions are probably conditioned as much by the states' experience of federal audits under Title I, as they are by the audit activity that the Department is now conducting. However, the fact that a federal audit process exists causes states to want more guidance on what will be deemed permissible in any future federal audits that may occur.

For example, the statement in the regulations that EDGAR (the Education Department General Administrative Regulations) does not apply to Chapter 1 leaves some states uncertain about what alternative practices, if any, will be acceptable to the IG's auditors. EDGAR contains regulations about the use and disposal of equipment purchased, calculation of indirect administrative costs, keeping of records on expenditures, and other matters which one might consider to fall under the ED's power, under Sec. 591(a)(2) of ECIA, to issue regulations "relating to proper fiscal accounting for funds appropriated...and the method of making payments authorized under this subtitle."

States are generally pleased with the quality of the Nonregulatory Guidance that the Department of Education has issued to answer questions about federal interpretations of Chapter 1. However, the NRG cannot possibly answer all of the

questions that arise as districts query states about the legality of this or that proposed expenditure of Chapter 1 funds. Consequently, most states find direct communication with the Department indispensable; on average, SEAs report that they communicate with ED almost twice a month. What states frequently want from ED are specific statements, preferably in writing, about whether a particular local practice is or is not legal according to the Department. States report that during the first year of Chapter 1, ED was reluctant to issue statements of this sort, in the belief that issuing opinion letters was another form of regulation. More recently, the Department has proved willing to send these letters on request, although the process of obtaining opinions from ED is not as easy as some states would like.

In 1983-84 ED resumed its role of monitoring SEAs by conducting program reviews of half the states, and intends to cover the remaining states in the 1984-85 school year. The Department appears to be communicating the message through these reviews that states have the same monitoring and technical assistance responsibilities under Chapter 1 as under Title I. One director stated that in the 1983-84 program review the Department had stressed that states should monitor large districts annually and small LEAs on at least a three-year cycle.

Audits by the Inspector General

Federal audits are conducted by the Office of the Inspector General, a division in the Department of Education separate from the Division of Compensatory Education that administer Chapter 1. The IG is statutorily independent of the Compensatory Education Division and other program offices in the Department, but is bound by Department policy to respect the interpretations of Chapter 1 provided in the Nonregulatory Guidance, a document approved by the IG and by the Office of Management and the Budget.

IG audits are conducted by one of the ten regional IG offices upon approval of the region's audit plan by the Washington office. The IG and its predecessor, the HEW Audit Agency, conducted approximately fifteen audits a year under Title I. [1]

HEW audits in the early days of Title I provided most of the evidence used by Washington Research Project researchers Ruby Martin and Phyllis McClure in their 1969 report documenting widespread misuse of Title I funds for supplanting and general aid. In the 1970s HEW audits and resulting demands for payback of federal funds played a large part in tightening up enforcement of the supplement-not-supplant and prohibition of general aid provisions. [2]

According to an employee in the Department of Education with experience in audit resolution, the frequency of IG audits since the passage of Chapter 1 has remained approximately the same as in the 1970s under Title I. The Department issued thirteen final audit reports in FY 1982, fourteen in 1983, and twelve in 1984. Since audits occur after-the-fact and usually examine expenditures made over a several-year period, the first two audits that that looked at Chapter 1 as well as Title I expenditures were not completed until FY 1984.

According to the IG's Audit Plan for Fiscal Years 1985 and 1986, the Inspector General plans to concentrate its Chapter 1 audits on examining the effectiveness of SEA monitoring. [3] In addition, the IG plans to continue a series of audits, begun in 1984, of SEAs' systems for verifying the eligibility of children in the Chapter 1 migrant program.

In addition, the IG will continue to conduct audits of Chapter 1 in response to specific complaints received by the office. [4] The office maintains a hotline to facilitate the transmission of such complaints.

For example, in 1982-84 the IG audited 10 states in response to complaints about misuse of Title I funds in one state for field trips and travel to conferences. These audits took exception to a number of expenditures in the state in

which the complaint originated, but not in any of the other states. The Inspector General's Report to Congress commented that

> In our audit at the State department of education, we found that the local educational agencies had inappropriately charged 22 of 36 conferences and board of education meetings between April 1978 and June 1980 to the Title I program. These inappropriate expenditures -- amounting to $743,000 -- occurred primarily because the State adopted a policy contrary to the regulations that allowed the local education agencies complete discretion in determining whether conferences and meetings were relevant to the Title I program....
>
> Examples of costs charged that were improper or unallowable included the following:
>
> - A trip to Reno, Nevada for a workshop on how to write grant proposals;
> - Educational tours to Washington, D.C., New York, San Francisco, and Mexico City for a total of over $25,000;
> - Numerous trips to amusement parks and related entertainment events, including a field trip to a professional basketball game for 300 students and 50 adults;
> - The expenditure of nearly $7,000 for bus transportation and dinner at a famous restaurant. The event was the junior high prom; and
> - A trip to Hawaii consisting of workshops on time management and other unrelated subjects and of excursions to a religious temple, an arboretum and a foreign cultural center. [5]

These audits led to a disagreement between the IG and the state in which the complaint occurred, over the circumstances under which Chapter 1 funds may be used to pay

for field trips. According to the director of one state not directly involved in this disagreement, the IG auditors have taken the position that Chapter 1 funds can be spent only for field trips which are useful to Chapter 1 students, but would not be useful to non-Chapter 1 students were they offered the same field trip -- a description that this director argued applies to no imaginable field trip.

Although federal auditors generally examine expenditures in school districts to determine whether Title I/Chapter 1 funds have been appropriately spent, the state is the legal entity that the IG actually audits and the unit from which repayment of funds is sought if that is what the Department decides is necessary. This is because the SEA is the recipient agency to which the Department disburses funds; LEAs are legally subrecipients funded by the states out of the money states receive from the federal government.

If an LEA is found to have misspent Chapter 1 funds, the Department does not usually attempt to force the state to repay the misspent funds to the federal government. Nor does the Department press the SEA to reallocate those funds to other districts in the state. Rather, the Department's goal is for the state to have the LEA replace the misspent funds in its Chapter 1 account with state and local funds; these state and local funds may then be spent in Chapter 1 services in the

district. Alternatively, a state that has not yet reimbursed the district for the inappropriate expenditures may refuse to do so, likewise forcing the district to pay for non-Chapter 1 activities with non-Chapter 1 funds. The goal of this policy is to prevent any reduction of Chapter 1 services to students in the delinquent district.

However, Chapter 1 funds allocated to a district are only available for that district to spend for a 27-month period. Consequently, if the inappropriate expenditure is not caught until after this period is over, the Department's policy is to seek repayment of those funds from the SEA. Consequently, frequent audits and monitoring visits may work to a district's advantage, by ensuring that the misuse of funds is caught sooner rather than later.

State Chapter 1 directors, on the whole, perceive that the process of enforcement through federal audits is very much alive; this probably accounts for a large part of their interest in more guidance from ED so that future audits do not produce any surprises. Directors were pleased that the Nonregulatory Guidance reduced some of the uncertainty about what position federal auditors are likely to take. Apart from the NRG, a number of directors mentioned that they use the old Title I law and regulations for guidance, in the belief that IG auditors are unlikely to take exception to practices that were

legal under Title I.

Since there have been few Chapter 1 audits, it is too early to tell how the process of audit resolution and appeal will change under Chapter 1. However, it appears that the Education Appeal Board is too slow in ruling on audit appeals. For example, one case in which a large district's 1975 Title I expenditures were questioned because the district failed to maintain comparability is still under appeal before the Board.

State and Federal Supervision of Audits Under the Single Audit Act

In October, 1979, the U.S. Office of Management and the Budget (OMB) issued Attachment P to Circular A-102, requiring that state and local government entities arrange for combined audits of their federally funded programs. That is, all of the programs must be examined simultaneously in a single audit. In October, 1984, Congress wrote the Attachment P requirements into law in the Single Audit Act. The Act requires states and LEAs receiving more than $100,000 in federal funds to arrange for single audits of all their federal programs by an independent auditor. Beginning in 1987, the audits must be done annually unless state law provides for biennial audits. [6] These audits must be compliance as well as fiscal audits: the auditors are to examine whether each program's funds have

been spent according to that program's legal requirements and restrictions.

Because supervision of these audits is to be conducted by a state agency independent of the agencies responsible for monitoring the programs being audited, oversight of the single audits is generally done by state finance or audit divisions, or by the audit section of the SEA. These agencies were not interviewed in the course of preparing this study; however, I did get Chapter 1 directors' general impressions of what is going on.

Thirty-eight directors report that combined audits have been implemented in their states. Two report that the process is just starting, and eight report that single audits have not been conducted in their states. A report to the President's Council on Integrity and Efficiency by the PCIE A-102P Evaluation Project indicates that much of this delay is due to several factors: slowness of federal agencies in writing single audit provisions into their program requirements and regulations, lack of co-ordination between agency Inspectors General and program offices, and questions of what funding source(s) will pay for the audits. [7] In addition, the process of determining which federal agency will be responsible for overseeing which audit has been slow. This is not a trivial problem since local entities such as school districts

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generally receive funding from more than one federal agency. [8]

According to directors, the single audits are or will be conducted by CPA firms in twenty-eight states and by a state audit agency in twelve states; LEAs in seven states have a choice between having the audits done by a CPA firm or by a state agency.

Given the complexity of Chapter 1, the question arises whether the auditors have the training and knowledge needed to determine whether LEA expenditures and practices are in compliance with the law. Of the forty-five directors expressing an opinion on the matter, thirty-seven doubted that auditors' examination of Chapter 1 compliance would be adequate (Table 2.2). One director complained that auditors in his state were inexperienced and thus took longer to do the audits, in effect acquainting themselves with Chapter 1 on LEAs' time. The directors who expressed a lack of confidence that the CPA's would do an adequate compliance audit made comments such as these:

> The auditors don't know the program as well as people in my office do...They don't come to our state conference. The auditors aren't catching things in the southern part of the state.

> It takes a long time for [auditors] to learn Chapter 1 well enough. A few training sessions are not enough. Let the auditors deal with the fiscal audit, and the states be responsible for compliance.

> The CPAs may not be able to do compliance audits because they don't understand the law. One auditor who called me up thought that 'comparability' meant that private schools get their fair share.
>
> I thought I had them [the auditors] trained, but [when they went out to audit] they didn't know much about compliance.

Eight directors, on the other hand, expressed confidence that the single audits in their states are adequate. One director stated that he thought auditors in his state were doing "a commendable job."

Table 2.2
Number of States Asserting
That Auditors Lack Enough Knowledge or Training
To Do Chapter 1 Compliance Audits

	Auditors Lack Knowledge	Auditors' Knowledge Adequate
Total	37	8
Large States	11 (79%)	3 (21%)
Medium States	14 (75%)	2 (25%)
Small States	12 (92%)	3 (8%)
North/Midwest	16 (73%)	6 (27%)
South	9 (82%)	2 (18%)
West	12 (100%)	0 (0%)

Total SEAs Responding: 45

Twelve Chapter 1 directors report that their departments participated in training auditors to detect compliance problems while conducting the single audits. Seven of these directors share the training responsibility with other state agencies.

Eleven directors report that other state agencies had trained the auditors independent of the Chapter 1 office. In many states, Chapter 1 directors are not aware of the extent of the auditors' training or whether the supervising state agency requires auditors to have any training at all.

Training the auditors is in part the responsibility of the Education Department's Office of the Inspector General (IG). Twenty-six directors report that the IG has offered training sessions or technical assistance in their state in implementing Attachment P and the Single Audit Act. The IG's office also has partial responsibility for checking up on the quality of the audits. However, this process of IG review of the single audits is just beginning.

The Office of Management and the Budget (OMB) has published the Uniform Requirements for Grants to State and Local Governments: Compliance Supplement (Revised), a guide outlining how to audit federal programs for compliance. Of the twenty directors offering an opinion on the adequacy of the Supplement, ten said that it was adequate. The remainder thought that the Supplement was not adequate in general or in specific areas such as supplement-not-supplant. Directors expressed opinions such as these:

> The Compliance Supplement is complete. The problem is getting auditors to understand what to look for -- how to walk into a school building and

test what the instrument says they should test.

> I don't know whether [the Supplement] is adequate; it's hard to show [without monitoring] that people listed under Chapter 1 are working for Chapter 1. We have additional [state] guidelines but I don't know how many CPAs look at the guidelines or Attachment P. There may be one or two firms out there that know what they're doing. The [state] Chapter 1 office helps when asked. Some [CPAs] have gotten help from the [regional] IG office.
>
> People reading [the Compliance Supplement] would not know how to do specific tests; it does not highlight program issues. They should either junk the audit and concentrate on monitoring, or focus the audit on key compliance areas such as comparability, school eligibility, and supplement-not-supplant.
>
> [OMB] should indicate areas that should be covered and let states write their own compliance manuals with IG co-operation. We have proposed to train the auditors and do random checking after the audits.
>
> [The Compliance Supplement] is better than what we had, but that kind of thing can never be too specific. It needs more specificity in the supplement-not-supplant area. When the IG audited the last year of Title I, they found some things that local auditors missed, some general aid and supplanting. There should be one agency that does audits in the state; [the auditors would follow] a better set of standards.

Even if the weaknesses in the audit process are ironed out, audits can never substitute for on-site monitoring of Chapter 1 projects by SEA personnel. That is because many audits occur after the school year is over, and therefore cannot examine program quality or observe what actually goes on in the classroom. Even when auditors observe actual classroom practice, the audit process is not designed to provide

technical assistance or to carry information about successful practices from district to district the way state monitors frequently do, and CPAs are generally not trained to provide those kinds of assistance.

These inherent limitations in the audit process underscore the importance of SEAs' role in monitoring and offering technical assistance to districts, a role examined in greater detail in Chapter 6 of this report. Here we briefly examine how states perceive their role under Chapter 1.

The State Role Under Chapter 1

Chapter 1's repeal of the specific Title I provisions detailing state powers and responsibilities created uncertainty among SEAs at first about what those powers and responsibilities were. States responded to this situation by deciding, for the most part, that their role was the same under Chapter 1 as under Title I. This, however, was not the case in the first year of Chapter 1. Two SEAs at that time decided that Chapter 1 meant "hands off LEAs" and stopped visiting districts on a regular basis. By the fall of 1984, however, those states had resumed regular monitoring of LEAs.

The state role since the early days of Title I has included four basic responsibilities:

- approval or disapproval of LEAs' applications for Chapter 1 funds;

- monitoring of Chapter 1 programs on-site to see that the programs described on paper are carried out in appropriate ways in practice;

- provision of technical assistance to districts to improve the quality of their Chapter 1 projects, and to bring them into compliance with the law;

- the threat or use of enforcement sanctions, such as withholding of funds or failure to approve the application, in the event that districts fail to carry out their responsibilities as defined in the statute.

Discussion with state Chapter 1 directors reveals several changes that have occurred under Chapter 1.

Some states have taken less of an "enforcement-oriented" and more of a "persuasion-oriented" stance towards LEAs as a result of Chapter 1's emphasis on reduced regulation. Most of these states argue that they have a good working relationship with LEAs, and seem to think that the "persuasion" is effective.

Several states are uncertain about the enforcement powers which they posess. Chapter 1 superseded the provision

in the General Education Provisions Act (GEPA) that explicitly gave states the power to withhold funds from districts not in compliance with the law. This left several states unclear about whether states still retain this power. One director stated that "If we tried to withhold funds, it probably wouldn't stand up in court, but we'll never tell the LEAs that." Forty-two states believe that they do, in fact, retain this fundamental but seldom-used power, while seven states believe they do not have the power, and one state is uncertain. One director wanted to know:

> What kind of posture can states take in rectifying problems that arise? It's not entirely clear where the lines are. The state has no kind of authority to enter into corrective agreements with LEAs.

States continue to see one of their principal functions as protecting LEAs from audit exceptions. In general, states perceive that the audit and audit appeal process give ED ultimate power, short of the courts, to determine what is and is not legal under Chapter 1. Consequently, many states are reluctant to issue their own interpretations unless they have received prior support for these interpretations from ED.

States continue to occupy a wide range of positions along a continuum from a "strong state leadership" stance to a "local control" orientation. At one end of this continuum is a "strong leader" SEA that reports that the change from Title I

to Chapter 1 has made little difference in its state, as the SEA makes the rules for LEAs anyway. A number of SEAs fall at the other end of the continuum, relying on the federal government to define what is and is not required. [9] One Chapter 1 director in a state in this category stated that even if the state Chapter 1 office wanted to make a rule mandating parent advisory councils, it would be difficult to get the such a rule through the state's rulemaking process.

Nearly all states report shifting or attempting to shift emphasis from monitoring to ensure compliance with the law, to offering more technical assistance to LEAs to improve the quality of their Chapter 1 projects. In most cases, this change of emphasis results from states' belief that monitoring has become easier and more routine over time, and they can afford to devote more time to working with LEAs to make certain the program actually makes a difference.

Has Chapter 1 Reduced Paperwork or Administrative Workload?

One possible explanation for states' greater emphasis on program quality is that Chapter 1, by simplifying administrative requirements as its sponsors intended, freed more state time to devote to examining program effectiveness. However, most SEAs contend that their own administrative workload has not decreased; thirty-seven directors think that

their agencies require at least as many person-hours to provide the same level of service under Chapter 1 as under Title I (Table 2.3).

Table 2.3
Has Chapter 1 Reduced the State Administrative Workload? a/

	Reduced Workload	Same or Increased Workload
Total	8	37
Large States	3 (19%)	13 (81%)
Medium States	4 (25%)	12 (75%)
Small States	1 (8%)	12 (92%)
North/Midwest	5 (22%)	18 (78%)
South	2 (18%)	9 (82%)
West	1 (9%)	10 (91%)

Total Responding: 45

a/ The question defined "administrative workload" as the number of person-hours required to administer Chapter 1 at the state level.

Six directors feel that their agencies' total workload has increased, due to the greater responsibility that Chapter 1 has given SEAs and the need to develop state interpretations in areas that ED used to cover. Directors also cited the single-audit process, and the Technical Amendments' requirement that states gather age, race, and gender data on students served, as sources of increased administrative workload.

Since thirty of these thirty-seven states have reduced their staff levels because of the reduction in funding for state administration, some directors' views may be colored by the fact that individual workloads are greater whether or not aggregate agency workloads are down. Directors' responses may also have been influenced by the wording of the question, and by the fact that directors may define the "same level of service" as trading off some emphasis on compliance for additional emphasis on program quality, producing no change in administrative workload.

Thirty-four state directors think that the paperwork and administrative burden on LEAs is less under Chapter 1, though almost no one seems to think that the reduction in paperwork has been particularly dramatic. Chapter 1 eliminated certain specific reporting requirements for LEAs to SEAs. Specifically, LEAs no longer have to submit comparability reports to SEAs, the law encouraged a three-year application process (although three-year applications had been allowed under Title I since 1978), and several states responded to the "less paperwork" intent of the law by dramatically shortening their applications. The elimination of the requirement for Parent Advisory Councils (PACs) and the regulations governing PAC composition may also have simplified administration in some districts, particularly in those districts that dropped their

parent councils. [10]

Directors report that the three-year application produced less reduction in paperwork for LEAs than many had hoped, because districts have to update their applications in the second and third years to reflect inevitable changes in planned expenditures and program design. These updates often result in nearly as much paperwork as the original application. Moreover, in many states LEAs are going back to annual applications to take advantage of the "grandfather clause" allowing continued service to a currently ineligible school that was eligible in either of the previous two years.

Consequently, the answer to whether Chapter 1 has reduced paperwork and administrative burden appears to be that in some limited ways it has, but the reductions that have occurred do not appear to have made much difference in the overall operation of the program. SEAs' and LEAs' main concern with Chapter 1 does not seem to be over excessive paperwork, but about obtaining adequate funding for the program and developing effective teaching strategies for educationally deprived children. Likewise, providing adequate funding and promoting institutions that can assist LEAs to improve program quality should be Congress's main concerns.

RECOMMENDATIONS

In instructing the Department of Education to reduce its regulatory activity, Congress wisely did not eliminate the agency's enforcement powers or its authority to audit LEAs. Congress recognized that to eliminate federal supervision entirely would run the risk that in some states, districts might be able to ignore what Congressman Ashbrook termed the "basic protections we have written into law to insure that Federal education aid is used to actually make a difference."

However, if federal enforcement activity occurs through the audit process, there needs to be a sufficient regulatory framework to protect LEAs from audit exceptions. Since the NRG cannot address all possible circumstances, ED must be willing to provide policy letters on request to those states that want opinions about what practices the Department will endorse. Congress should clarify that in discouraging ED from writing regulations, it was not Congress's intent to discourage the Department from providing nonbinding opinions and interpretations, in the form of policy letters, to SEAs seeking more guidance that that available in the NRG.

Congress also needs to exercise oversight over ED to ensure that the Department moves as rapidly as possible to make up for its loss of knowledgeable and experienced people from

the Chapter 1 office. The relevant committees of Congress will want the new Secretary of Education to know that they are keenly interested in the activities of the Department.

It is also apparent that the process of settling appeals of federal audits is too slow. Audit exceptions from as early as 1975-76 are still unresolved, and if the audits are resolved against them, LEAs may have to pay the accumulated interest on the questioned amounts. Congress should examine ways to facilitate the audit appeal process.

Additional federal guidance is needed in the process of implementing the combined audits under the Single Audit Act. During the difficult early years of implementing this process, the IG needs to monitor the process closely to make certain that the audits are of adequate quality; Congress needs to be willing to provide the IG with sufficient funds to carry out that supervision. Inadequate supervision of the single audits may lead to poor-quality audits which do not detect Chapter 1 violations when they occur, or to erroneous audit exceptions by CPAs who do not fully understanding the program.

Specifically, Congress should use its oversight or legislative powers to bring about the following changes in the single-audit process:

- Encourage SEA program offices and auditors in various

states to develop a co-operative division of labor on which compliance items they emphasize. Under such an arrangement, auditors would concentrate most of their attention on those compliance items that are amenable to audit, such as school selection, comparability, and excess cost tests of supplement-not-supplant. Program monitors would focus on items that are difficult to examine after-the-fact or which involve an educator's judgement; these areas might include student selection, use of Chapter 1 teachers, aides, and equipment for Chapter 1 purposes, and program quality. The concept of an "independent audit" should not be used to impede such a division of labor where it is desirable. Auditors would, of course, retain responsibility for fiscal auditing.

- Encourage OMB, SEAs, and the various Inspectors General to develop guidelines for the nature and amount of training auditors conducting single audits should have. CPA training does not imply mastery of the complex legal requirements of many of the programs the auditors are examining, and several Chapter 1 directors report that untrained or poorly-trained auditors are conducting single audits in their states.

- Give states the explicit option of requiring separate program audits of certain specific programs if they so

choose, or requiring that combined audits include a check of certain critical compliance items.

Both SEAs and ED seem to be more clear about their roles than they were in the early days of Chapter 1. However, since under Chapter 1 (as under Title I) SEAs have the primary responsibility for overseeing LEAs and preventing local abuses, Congress needs to clarify the states' authority to deal with those abuses when they arise. In particular, Congress should incorporate subsection 434(b) in the General Education Provisions Act (GEPA) into Chapter 1, giving SEAs the power to suspend or withhold money from noncompliant districts. In addition, Congress should restore the language in Sec. 169(c) of Title I, giving SEAs the authority to enter into compliance agreements with LEAs.

In Chapter 6 I discuss ED's and SEAs' role in providing technical assistance and sponsoring other activities designed to improve program quality. Before examining that role, however, we should first discuss how SEAs are interpreting Chapter 1's fiscal and student selection provisions. These provisions are intended to help guarantee that Chapter 1 money is targeted on the children in greatest need for assistance.

NOTES TO CHAPTER 2

1. Telephone interview with a Department employee from the Division of Compensatory Education, March 27, 1985.

2. The role of auditors from the HEW Audit Agency in tightening up Title I enforcement is discussed in Stoner, op. cit.

3. U.S. Department of Education, Office of Inspector General Audit Plan for Fiscal Years 1985 and 1986, pp. 9-12.

4. Telephone interview with IG employee, March 20, 1985.

5. Office of Inspector General, U.S. Department of Education, Semi-Annual Report to Congress: October 1, 1982 - March 31, 1983, pp. II-5 and II-6.

6. In 1985 and 1986 the single audits may be conducted every two years instead of annually, if state or local "administrative rules, regulations, guidelines, standards, or policies" require a two-year audit.

7. PCIE A-102P Evaluation Project, "Evaluation of OMB Circular A-102, Attachment P: Implementation, Impact, Usefulness" (Washington, D.C., President's Council on Integrity and Efficiency, 1984).

8. For example, free and reduced-price school lunches are funded by the U.S. Department of Agriculture.

9. A Study of State Management Practices discovered that SEAs in some "local control" states made lots of rules in addition to those made by the federal government. The Study therefore classified SEAs into four categories: strong state leadership, active rulemaker; strong state leadership, inactive rulemaker; local control, active rulemaker; local control, inactive rulemaker. This report does not attempt to place states systematically into these four categories. Bessey, Barbara et al., A Study of State Management Practices: Final Report (American Institutes for Research, Palo Alto, Ca., 1982) 49-102.

10. It important that efforts to reduce administrative workload do not come at the expense of parent involvement. Presumably, the effort involved in generating adequate levels of parent involvement increases adminstrative workload.

Chapter 3
Targeting Aid to Those in Need: Selection of Schools and Children

According to state Chapter 1 directors, the methods districts use to select schools and children to receive Chapter 1 services have changed little from those used under Title I. With the exception of a provision in the Technical Amendments affecting small LEAs in twenty-four states, thirty-six state directors see no change whatsoever between Title I and Chapter 1 in the procedures districts in their states use to determine which schools and children to serve. To understand this result, it is helpful to review how children were selected under Title I to receive compensatory education services.

Selection of Schools and Children under Title I

Title I's rules on school and child eligibility were intended to ensure that districts concentrate aid on the children in greatest need, instead of spreading limited federal dollars among so many students that those dollars could not make a difference. Accordingly, Title I restricted the schools that its services could be offered in, and required LEAs to develop a systematic method of determining which students would participate in Title I-funded programs.

Under Title I a district's first step was to decide

whether to offer compensatory education services at the elementary, middle, or high school level, or at more than one of these levels. Although theoretically this decision could be determined by the "needs assessment" each district was expected to do every year, in practice most districts concentrated their programs in the elementary grades in the belief that compensatory programs were likely to be more effective with younger children. [1]

If the district was small and had only one school in the chosen grade span (set of grade levels), the process of school selection stopped here. If the district had more than one school in that grade span, however, Title I required the LEA to rank schools by the number or percentage of low-income children living in those schools' attendance areas. A school's "attendance area" was defined in the regulations as "the geographical area in which the children which are normally served by that school reside." Usually, LEAs determined the number of low-income children living in each attendance area by counting children eligible for the National School Lunch Program, and by using census data and statistics on families eligible for Aid to Families with Dependent Children. [2] As an alternative to examining the population in attendance areas, the district could count the number of low-income children in average daily attendance at the school itself, a useful

provision in a district with an open enrollment plan, a desegregation program, or a large private school population.

With certain exceptions described in the law, a district could operate Title I programs only in schools with a higher-than-district-average number or percentage of low-income children. If funds were inadequate to offer programs in all the eligible schools, the LEA had to select schools for service in the order they were ranked. In determining school eligibility, a district intending to serve only schools in a particular grade span (e.g. elementary schools) had to rank and compare schools in that grade span only. Private school children were eligible for service if they lived in attendance areas whose public schools contained Title I programs.

Title I included the following rules that could be used to make additional schools eligible:

- The 25 Percent Rule: A district could serve any school with a 25 percent or greater concentration of low-income children, even if that school's concentration was below the district average. However, Title I prohibited using this rule if doing so would reduce per-pupil state and federal compensatory education expenditures in one or more of the district's other schools.

- The No-Wide-Variance Rule: A district could treat as

eligible, and serve, all of its schools if no two schools in the district differed in their concentrations of low-income children by more than five percent, or one-third of the district average, whichever was greater. [3]

- The Phase-Out Provision (also known as the "Grandfather Clause"): A district could continue to offer Title I services for two additional years in a school that lost its eligibility because of population changes.

- Ranking by Educational Deprivation: A district could qualify as eligible, and serve, a school with fewer low-income but more educationally deprived students, in place of a school with more low-income but fewer educationally deprived students. A district unable to serve all of its eligible schools could rerank those schools by educational deprivation and serve them in that order, instead of in order of their concentration of low-income children.

- Skipping Schools Receiving Comparable Services: A district could serve a lower-ranked eligible school in place of a higher-ranked eligible school already receiving services comparable to Title I's from a separate source (i.e. a state or local compensatory education program).

- Qualifying Schools by Average Daily Attendance: A school located in an attendance area with a lower-than-district-average concentration of low-income children could be treated as eligible if the concentration of low-income children in average daily attendance at the school was above the district average. This provision could be used to qualify schools in neighborhoods where a large number of higher-income children are attending private school, or in districts with open enrollment, desegregation, or "magnet school" plans.

Once a district had determined which schools were eligible for services, the LEA had to decide in how many schools to operate Title I programs. Here the district had two conflicting considerations. On the one hand, a district attempting to serve too many schools might spread its limited Title I resources too thin and not offer a program "of sufficient size, scope, and quality to give reasonable promise of substantial progress toward meeting the special educational needs of the children being served" as the law required. On the other hand, leaving eligible schools unserved also meant failing to serve children in need of the program. The District Practices Study reported that 58 percent of 264 districts interviewed stated that their objective was to serve as many schools as possible, and 74 percent reported serving all

eligible schools. [4]

Title I required a district to conduct an annual "needs assessment" in eligible schools to determine which children had the greatest need for assistance, in which grades and subject areas. The regulations urged the use "to the extent possible (of) objective data," i.e., objective test results, in making these assessments. The law required districts to allocate funds to eligible schools according to the "number and needs" of the children in those schools, and to serve the children in "greatest need" in Title I-eligible schools, with these exceptions:

- Continuing Service to Children Served in a Previous Year: Children served in a prior year could continue to be served even if they were no longer among the children in greatest need, so long as they were still judged to be "educationally deprived."

- Continuing Service to Children Who Move During the School Year: A child transferred to a non-Title I eligible school in the middle of the school year could continue to receive services for the remainder of the school year.

- Skipping Children Served by Other Programs: Schools could skip over children receiving "from non-Federal sources, sevices of the same nature and scope," such as a state

compensatory education program.

- Operating Schoolwide Projects: Schools with a greater than 75 percent low-income concentration could, with state approval, operate "schoolwide projects" benefiting all the children in the school, provided the district made a matching local contribution to the school's Title I budget proportional to the percentage of non-educationally deprived children in the school.

In practice, districts selected children for service using varying combinations of achievement test scores, teacher judgement, placement in the program in prior years, scores on locally administered screening tests, and success in the classroom. The District Practices Study documented a wide variety of selection criteria between districts. Low test scores appeared to be the most common method of identifying children in need of services, and districts used the other factors to modify the pool of children selected.

Changes Under Chapter 1: Allowing Small LEAs to Serve All Their Attendance Areas

The Technical Amendments to Chapter 1 allow LEAs with less than 1,000 enrollment to treat all their attendance areas as eligible for Chapter 1 funds, eliminating those districts' need to restrict those services to their most low-income

schools. Although most small LEAs contain only a single attendance area and many others have used the no-wide-variance rule to qualify all of their schools, twenty-four states report that they have districts which will be able to serve additional schools on account of the new provision. The number of affected LEAs in each state ranges from one or two to just under 200. Chapter 1 directors in the affected states unanimously thought this provision was a good idea; two stated that the cutoff should be raised, say, to LEAs with an enrollment of 1500.

The Chapter 1 directors in the twenty-four affected states offered these reasons for favoring the "small LEA" provision:

- In rural districts with two tiny elementary schools, it is sometimes necessary to include both schools in the program in order to have a large enough "critical mass" of needy students to justify hiring a Chapter 1 teacher or aide.
- Small LEAs also tend to have a small Chapter 1 allocation, and hence their paperwork burden should be made as small as possible.
- Most small LEAs with multiple attendance areas have more than one elementary school feeding into a single junior high school with a Chapter 1 program. If the children in

need are all going to be eligible for Chapter 1 in the seventh grade, why not make them all eligible for service earlier when the program can make more of a difference?

- In a small town, there is less likelihood of spreading services too thin than there is in a large city.

- In many cases, the affected LEAs have more than one elementary school because they were formed by consolidation of even smaller districts. The children in some of these schools should not have to lose services just because their districts consolidated.

Other Changes Under Chapter 1

With the exception of the "small LEAs" provision, what difference has Chapter 1 made in the procedures LEAs use to select schools and children? Of the thirteen state directors who saw any difference in their states, five perceived a difference in the interpretation of the Technical Amendments' "grandfather clause" that enables school districts to treat a now ineligible school as eligible "for a single additional fiscal year." The directors interpret this language to mean that a school eligible in the 1982-83 and 1983-84 school years can continue to receive services in 1984-85 or 1985-86, but not in both years. The same clause in Title I was worded "for a fiscal year," which was interpreted to mean that services could

be continued in the ineligible school for an additional two years. The Department of Education's regulations interpret the Chapter 1 provision as permitting the continuation of services for two additional years, but only if the school in question was eligible in both years prior to its loss of eligibility.

State directors cited these additional differences in selection procedures between Title I and Chapter 1:

- Seven directors report that the exemption of state compensatory education (SCE) from the supplement-not-supplant requirement has caused districts in their states to reallocate some SCE money from Chapter 1- to non-Chapter 1-eligible schools.

- One director mentioned that the preamble to Chapter 1 omits the Title I preamble's explicit reference to preschool programs. This director thought that the omission of this reference might lead to LEAs' reducing their use of preschool programs, although the Chapter 1 regulations allow Chapter 1 funds to be used for preschool children.

- School districts in one state are expressing "increased interest" in qualifying and serving schools in rank order to their number or percentage of educationally deprived students. (Table 3.1)

Table 3.1
Directors' Perception of Changes
in School and Student Selection Procedures
Between Title I and Current Chapter 1

	Number of Directors	
No Change Between Title I and Chapter 1	36	
Some Change Between Title I and Chapter 1:	13	
"Grandfather clause"		5
Supplement-Not-Supplant		7
Educational Deprivation (Increased Interest)		1
Mention of Preschool		1
(Total Greater Than 13 Due to Overlap)		
Total SEAs Responding	49	

Selection of Schools Under Chapter 1

SEAs in all states report that school districts continue to rank schools according to low-income criteria, and to consider eligible those schools with a higher-than-district-average number or percentage of low-income children. Free school lunch eligibility continues to be the almost universal method that districts use to count low-income children. Only five states report that any district uses the

alternate ranking of schools according to low-achievement criteria to determine eligibility. Despite the "increased interest" in this method in one state, in all five of these states ranking by educational deprivation is seldom used.

By allowing districts with a "uniformly high" concentration of low-income children to serve all of their attendance areas, Chapter 1 retains Title I's no-wide-variance rule. Unlike Title I, however, the Chapter 1 regulations do not define what a "uniformly high" concentration of low-income children is. ED's 1983 Nonregulatory Guidance follows the Title I definition but raises from 5 to 10 percent the permissible spread between schools with the greatest and least concentrations of low-income children. The NRG asserts that its definition is only "one interpretation" of what a "uniformly high" concentration of low-income children is. However, none of the states has shown any interest in making any other interpretation.

Directors expressed relief that the Technical Amendments reinstated Title I provisions for skipping children who are receiving comparable services from another source, for developing schoolwide projects, for treating schools whose student body is more than 25 percent low-income as eligible even if the district average low-income concentration is greater than 25 percent [5], for qualifying schools as eligible

based on educational deprivation, and for continuing to serve children and schools that would otherwise have lost their eligibility. Although the broad and nonspecific language of the original Chapter 1 might have been interpreted to include these provisions, LEAs were averse to the risk of audit exceptions and did not feel free to use them. SEAs, for their part, tended to interpret the omission of these provisions in the original Chapter 1 as meaning that they were no longer acceptable alternatives. Table 3.2 indicates the number of states in which each of these provisions is currently in use.

Table 3.2
Number of States Reporting Use of
Special School and Student Selection Rules

	At Least One LEA Uses This Rule	No LEA Uses This Rule
25 Percent Rule	38 (82%)	9 (18%)
Grandfather Clause	37 (76%)	11 (24%)
No-Wide-Variance	25 (67%)	13 (33%)
Average Daily Attendance	12 (25%)	36 (75%)
Schoolwide Projects	6 (13%)	39 (87%)
Educational Deprivation	5 (11%)	42 (89%)

Totals do not equal 50 because of missing data.

Twelve states mention that more LEAs would operate

"schoolwide projects" if the law did not require districts to come up with a local contribution proportional to the percentage of non-educationally deprived children in the school. One state director referred to the provision as a "phony rule," arguing that the poorest districts, the ones most likely to have schools with a 75 percent or greater low-income concentration, have the smallest tax bases and are least likely to be able to come up with the matching money. At the same time, one local school district with a larger tax base reports success operating schoolwide projects in two schools, using Chapter 1 money to reduce class sizes from twenty-three to fifteen. According to the district's Chapter 1 director, the evaluation results show that the project has had a greater positive effect on educationally deprived students than on non-educationally deprived students, just as if the money had been targeted. [6]

Ranking and Allocating Funds Among Eligible Schools

Although Chapter 1 omits Title I's explicit rule that a district unable to serve all eligible schools must serve schools in rank order of low-income or of educational deprivation, SEAs have not taken this as a reason to allow schools to be served in any arbitrary order of priority. "We don't do much skipping (in my state)" was a typical comment by a state director.

Like Title I, the Technical Amendments allow skipping a lower-income school in favor of a school with a higher percentage of educationally deprived students, and skipping a school receiving comparable services from another source. Apart from these provisions, forty-three of the forty-nine directors responding stated that they would not allow LEAs to serve a school out of rank order. One director would allow skipping of a school if the school was judged to be eligible due to temporary economic conditions only; one would permit skipping of a small, remote school with a low pupil-teacher ratio; and one would permit skipping a school for "educational reasons." [7]

Chapter 1 omitted the Title I provision that funds be allocated among eligible schools according to the "number and needs" of children in the school. This raises the question under what circumstances Chapter 1 directors would permit a district to operate a Chapter 1 project with a high per-pupil cost in one school building, and a low per-pupil cost in another building. [8] Ten directors asserted that large differences in per-pupil Chapter 1 expenditures between buildings would not be allowed or would be strongly discouraged; sixteen said that such differences would be allowed if the district could document that the children in the building allotted more resources per pupil have a greater need;

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three states permit flexibility in per-pupil expenditures within state guidelines; and eighteen states allow LEAs to spend different per-pupil amounts per building. Most of the last category of states said, in essence, "Districts are free to spend different per-pupil amounts as long as their programs work." Two of these SEAs mentioned that they do not examine per-pupil expenditures building-by-building (Table 3.3).

Table 3.3
May LEAs Spend Different Amounts of Chapter 1 Money Per Pupil in Different Schools?

	Number of SEAs
SEA Would Not Allow or Would Strongly Discourage	10
SEA Would Allow if Children in More Expensive Project Have Greater Need	16
Small Remote Schools May Spend More	1
LEAs Have Flexibility Within State Guidelines	3
LEAs Have Complete Flexibility	18
Total SEAs Responding	48

Selection of Children Under Chapter 1: Serving the Children in "Greatest Need"

Although states perceive that districts continue to select children by the same procedures under Chapter 1 as they

did under Title I, these procedures in the past have varied widely among school districts. The Technical Amendments restored the requirement that schools select the children in "greatest need" for service. LEAs continue to use a combination of indicators, primarily test scores and teacher judgement, to identify those children in greatest need.

Traditionally the "greatest need" provision has been interpreted not to require service to children with a "handicapping condition," such as the "educable mentally retarded," and two states expressed the opinion that schools should be allowed to skip children at the bottom if, in their opinion, nothing can be done to make reasonable progress with those children. As one state director said, "How low do you go before you [decide that you] can't benefit children? Below the tenth percentile the children don't have much to work with."

Moreover, the "greatest need" provision is subject to two possible interpretations. One interpretation is that a school district must serve children essentially in rank order of need until its Chapter 1 funds are exhausted. A second interpretation maintains that once the group of children in "greatest need" has been served, a district no longer has to serve educationally deprived children in any particular order of priority. Thus, a district may skip over an entire group of children in "next greatest need" and serve a group of children

in lesser need. For example, the LEA might serve those children scoring below the 15th percentile on a standardized test (the children in "greatest need"), and then skip nearly all children between the 16th and the 40th percentiles in order to serve children from the 41st to the 49th percentiles.

Like Title I, Chapter 1 allows LEAs to serve an individual child "no longer in greatest need" if that child was identified "in any previous year, as being in greatest need of assistance" and the child "continues to be educationally deprived." One Chapter 1 director expressed a concern that the lack of a time limit in this provision "has opened the floodgates to havoc in the program;" districts are free to continue children in lesser need in the program indefinitely, instead of serving them only for two or three additional years. This, in his view, severely weakens the "greatest need" provision.

Of forty-nine SEAs responding, forty-four indicate that with the above two exceptions, they require LEAs to serve children essentially in rank order of need. One state would approve skipping children if the LEA offers "a good reason." A second state would negotiate with a district wishing to serve children in other than strict rank order. In a third state, a state mandate requires that every child scoring below the twenty-fourth percentile on objective tests be served; an LEA

could skip children above the state mandate, but LEAs generally do not do so. A fourth state is waiting for the publication of the Nonregulatory Guidance for the Technical Amendments before taking a position (Table 3.4).

Table 3.4
Must Children Be Served
In Rank Order of Need?

	Number of SEAs
Must Serve in Rank Order of Need	44
May Skip Child if Good Reason	1
May Skip Above State Mandate	1
Would Negotiate, Try to Persuade District to Serve in Rank Order	1
In 5-10 Percent of Cases, LEA Might Consider a Child's Potential	1
Waiting for New NRGs Before Deciding	1
Total SEAs Responding	49

Those who favor requiring LEAs to serve children in rank order of educational need argue that if Congress intended LEAs to be able to skip educationally deprived children just as they please, Congress would not have included special provisions describing circumstances under which children no longer in greatest need but still educationally deprived could

be served. Moreover, they contend that there is nothing in the law to indicate that Congress has different priorities for spending the last Chapter 1 dollar than it does for the first dollar; after a district's first Chapter 1 dollars have been used to meet the needs of the children in greatest need, additional dollars should be used to serve the remaining children in greatest need.

Ambiguity also exists in when to serve children with "learning disabilities" and children with limited English proficiency (LEP). Two states expressed a desire that ED clarify the boundary between special education and Chapter 1 for children with learning disabilities. In the case of LEP children, the Nonregulatory Guidance states that those children may be served by Chapter 1 if they are selected for the program on the basis of educational deprivation, not on the basis of limited English proficiency. One director contended that where state- or locally-funded LEP programs are inadequate, Chapter 1 funds should be used to provide English as a Second Language (ESL) instruction to the child. Two other directors stated that ESL should be treated as part of a district's regular program, to be paid for with state and local resources and supplemented by Chapter 1.

Repeal of the "All Such Children" Provision

Without exception state directors approved the repeal of the provision in Chapter 1 permitting LEAs to use part of their Chapter 1 funds to serve "all such children." [9] Nine directors reported that one or more schools in their state used the "all such children" provision to serve children in ineligible schools. Most of the other states subtly or overtly discouraged LEAs from using the provision; the state director who said that "we wouldn't touch that (provision) with a ten-foot pole" articulated a feeling expressed by a large number of the directors. In general, directors cited the difficulty of designing a program that would meet the needs of children scattered in relatively low concentrations throughout all the schools, but that would not constitute general aid to ineligible children. Some LEAs in one state used "all such children" as a substitute for the missing "grandfather clause" later restored by the Technical Amendments; a second state permitted the use of money under this provision only for staff development in ineligible schools, and limited those expenditures to fifty percent of a district's total Chapter 1 expenditure on staff development. A third state restricted expenditures on "all such children" to five percent of a district's total Chapter 1 allotment.

The Department of Education had interpreted "all such children" as meaning "all low-income, educationally deprived children." This meant that LEAs using the provision had to keep track of which children they were serving were low-income. No one normally maintains such records, and one state director reported that districts' attempts to use this provision produced bitterness among local Chapter 1 co-ordinators who were forced to single out low-income children in non-Chapter 1 schools. These co-ordinators felt that the children would be stigmatized by being singled out.

Service to Private School Children

Chapter 1 incorporates word-for-word Title I's requirements that LEAs serve private school children living in attendance areas served by the district's Chapter 1 program.

How do LEAs identify these children? In general, SEAs require districts to contact all the private schools in the area as part of the process of planning the following year's project. The LEA's application or application update generally must contain a list of those private schools, as well as a description of the planned Chapter 1 program in the participating schools. The district must maintain correspondence with area private schools in its files, so that that correspondence can be examined on a monitoring visit.

Private schools not wishing to participate in Chapter 1, or not having any children who might be eligible, are asked to sign a form to that effect. The majority of states report that they examine this correspondence when they monitor LEAs. Some states request LEAs to send their letters to private schools by certified mail, so that there will be a record that each private school was notified of the availability of Chapter 1 services if the school fails to respond. Other states request that LEAs keep a telephone log of attempts to contact private schools.

Since state directories of private schools are not likely to list the newer and smaller schools, most states rely on the LEAs to locate and contact these schools. One director commented that

> We know what schools are where, except that there are lots of tiny protest schools and church schools opening up in storefronts or garages.

One state has a legal requirement that all private schools be state-certified, and consequently has the closest to a complete list of private schools to compare to the list provided by the LEA.

Although Congress thought it had successfully negotiated its way around the church-state issue when it wrote Title I, one director reports that his state's legal counsel is

questioning the constitutionality of conducting Chapter 1 classes in parochial schools. The counsel is suggesting that the only legal way to operate a parochial Chapter 1 program is to have the public schools lease a room in the private school for a nominal fee to operate the program, or to pull the children out of the building, an unworkable approach if no public school is nearby, the LEA's allocation is too small to rent space close by, and transportation to alternative sites is impractical.

RECOMMENDATIONS

For the most part, states and school districts appear to have continued the policies for selection of schools and children that they used under Title I. This is likely to be even more the case now that the Technical Amendments eliminated the problematic "all such children" provision, and restored the flexibility given LEAs by Title I. The major changes appear to be the extension of service to more schools in small LEAs with multiple attendance areas and less than 1000 enrollment, and the reported shifts of state compensatory education funds into non-Chapter 1 schools in seven states (a matter discussed at greater length in Chapter 4).

1. Congress or the Education Department should make clear that the provision that children with the "greatest need"

be served first means essentially that LEAs should serve children in rank order of need, using a consistent ranking system developed by the LEA. This clarification would preserve the two current exceptions to this rule, permitting LEAs to skip children receiving comparable services from another source and allowing district to keep children in the program whose skills have improved but who are still educationally deprived.

2. Congress may want to examine whether a time limit should be placed on continuing children in the program who are no longer in greatest need. For example, under present law an LEA may serve a sixth-grade child who was identified in first grade as being among those with the greatest need, but who has never been a "greatest need" child since, ahead of other sixth-grade children with much greater needs. Congress's intent in enacting the "no longer in greatest need" provision was to enable schools to keep students in the program who had made gains but who might slip back if Chapter 1 services are taken away. However, if there are instances in which the provision leaves large numbers of children with greatest need unserved while many others with lesser needs are served, Congress should consider limiting service to children no longer in greatest need to two or three additional years. This is an issue that the National Institute of Education (NIE) should examine in its Congressionally-mandated study of Chapter 1.

3. In the case of schoolwide projects, Congress should either eliminate the matching fund provision for non-educationally deprived chidren, or change that requirement to allow a district to use non-financial inputs in place of the matching funds. For example, a district might be allowed to substitute a certain number of parent volunteer hours in Chapter 1 schools, or hours spent training parents to work with their children in the home, for the matching funds. If the number of these hours required were set at a significant but attainable level, schools would be challenged to involve parents more without being confronted with a requirement that they cannot meet. The only difficulty with this alternative is that it might not be easy to monitor.

4. The Department of Education must continue to offer assistance to SEAs in clarifying the borderline between educational deprivation and handicapping conditions, and hence between Chapter 1 and special education. For example, some SEAs report a need for ED to clarify in what circumstances a child with learning disabilities should be considered a Chapter 1 child.

The Chapter 1 provisions requiring selection of students in greatest need are only part of the requirements needed to ensure that those students actually receive additional services. In addition, it is necessary to ensure

that districts do not shift state and local money away from Chapter 1 students, or fail to target Chapter 1 funds to meet those students' special educational needs. The next chapter discusses fiscal provisions in the law that are designed to guarantee that Chapter 1 funds are used to benefit the students with the greatest educational need.

NOTES TO CHAPTER 3

1. In 1981-82, the last year of Title I, 76 percent of the children served were in grades pre-K - 6.

2. School districts frequently cannot use census data to obtain counts of low-income children because census tract boundaries do not correspond to school attendance boundaries. According to Advanced Technology Corporation's District Practices Study, in 1981-82 77 percent of the districts surveyed used free or reduced price lunch counts to determine the number of students from low-income families. In that same year 36 percent of LEAs used AFDC enrollment data, 19 percent used census data on family income, and fewer than 10 percent of districts used the number of neglected and delinquent children, the number of non-English-speaking families, employment statistics, the number of children from migrant families, or the Orshansky poverty index. (Many districts used more than one source.) Since definitions of poverty differ between

federal agencies, one director commented that the federal government needs to develop a common definition of poverty. Advanced Technology, Local Operation of title I, ESEA 1976-1982: A Resource Book (Washington, D.C., 1983), Table 3-1.

3. For LEAs with less than a fifteen percent low-income concentration, the five percent difference was binding; districts more than fifteen percent low-income were bound by the "less than one-third" restriction.

4. Advanced Technology, Local Operation of title I, ESEA, Chapter 4, pp. 13-14.

5. Under Chapter 1, districts using the 25 percent rule no longer have to determine, as they did under Title I, whether inclusion of additional schools under the rule will cause per-pupil compensatory education expenditures in other schools to fall.

6. Because of new class size requirements in state law, in upcoming years the district will only be able to use Chapter 1 funds to pay for reducing class sizes from twenty-one to fifteen.

7. Two directors stated that they would permit an LEA to skip a school if the district could document a "greater need" in schools lower down in the ranking. However, this

seems like a recapitulation of the Technical Amendments' permission to skip a lower-income school in favor of a school with a greater concentration of educationally deprived students.

Specifically, the Technical Amendments allow a district, with the SEA's approval, to:

> designate as eligible (and serve) school attendance areas with substantially higher numbers or percentages of educationally deprived children before school attendance areas with higher concentrations of children from low-income families, but this provision shall not permit the provision of services to more school attendance areas than could otherwise be served. A State educational agency shall approve such a proposal only if the State educational agency finds that the proposal will not substantially impair the delivery of compensatory education services to educationally deprived children from low-income families in project areas served by the local educational agency.

With this provision in mind, I asked states whether they would allow a district to rerank its entire list of eligible schools by educational deprivation, and to serve schools in that priority order. In other words, might a district that qualified ten schools as eligible using low-income criteria, but could only serve five schools, rerank the ten schools by educational deprivation in order to select the five schools to receive service? Fifteen state Chapter 1 directors asserted that they would not permit such a reranking; thirty-three directors, on the other hand, interpret the

Technical Amendments as allowing LEAs to rerank schools in that manner.

8. Comparing per-pupil Chapter 1 expenditures among buildings is a different issue from "comparability," which concerns the allocation of state and local resources among school buildings.

9. Before the passage of the Technical Amendments, ECIA permitted districts "to utilize part of the available funds for services which promise to provide significant help for all such children served by such [local educational] agency." This, in effect, repealed Title I's rule that services must be concentrated in schools with the greatest concentrations of low-income students. Most SEAs felt that given the limited amount of Chapter 1 funds available, this could result in serious reduction of services to children in greatest need in low-income areas.

Chapter 4
Targeting Aid to Those in Need: Chapter 1's Fiscal Requirements

As we saw in the last chapter, Chapter 1 school and student selection provisions require that aid be targeted to children with the greatest educational need, in schools with the highest concentrations of low-income or educationally deprived children. This targeting grew out of Congress's intent that the money be used entirely to address the special needs of a particular population of students.

However, this intent would not be met if school districts spent Chapter 1 money on other groups of children or used the money for general tax relief, or failed to provide educationally deprived children with their fair share of state and local services. Realization of this led, under Title I, to the enactment of five fiscal requirements:

- Maintenance of Effort. An LEA could receive Title I aid in a given year only if the district's state- and locally-funded educational expenditures had not declined in the preceding year.

- Prohibition of General Aid. Title I funds had to be spent exclusively to meet the special educational needs of educationally deprived children, and could not be spread

around to meet the school's general instructional or noninstructional expenses.

- Supplement-Not-Supplant. A district could not use Title I money to pay for services that would have been provided with state and local funds had Title I funding not been available.

- Excess Costs. Districts had to provide more intensive services to Title I students that non-Title I students were receiving, and Title I funds could be used to pay only for the incremental cost of the additional services.

- Comparability. Districts could not discriminate against or among Title I-funded schools in the provision of state and local resources. State and local spending per pupil had to be roughly "comparable" among all schools in a district.

With the exception of maintenance of effort, none of these requirements was included in Title I when the law was first enacted in 1965; the other requirements were established as U.S. Office of Education regulations, then incorporated into the law by Congress. Chapter 1 repealed the excess cost requirement, and relaxed the maintenance of effort, supplement-not-supplant, and comparability requirements in significant ways. The following section examines each of these

requirements in turn.

Maintenance of Effort

When the Elementary and Secondary Education Act was enacted in 1965, Congress was concerned that LEAs might use federal aid to replace state and local expenditures on education. Consequently, the law contained a provision that LEAs could receive Title I aid in a given year only if state and local educational expenditures had not declined in the preceding year.

The need for such a provision must have seemed especially compelling to those members of Congress who saw Title I and the rest of ESEA as a large general aid program, which might eventually account for a large proportion (possibly 20 to 30 percent) of total school spending. [1] If districts were receiving large amounts of general aid from the federal government, they would be especially tempted to reduce local spending levels in response.

After it became clear that districts could find ways to substitute federal funds for local spending without reducing total expenditure levels, Congress enacted the supplement-not-supplant provision to address more directly the concern that districts would substitute federal for local spending. Nonetheless, Congress preserved the

maintenance-of-effort rule as a spur to local districts to spend more (or at least not to spend less) on education.

Maintenance-of-effort was originally defined as maintaining current levels of district per-pupil school spending. As SEAs brought to Congress's attention the problems that extremely small districts with fluctuating staffs and enrollments had in meeting this provision, Congress in 1976 added a provision that LEAs could compute state and local expenditures on either an aggregate or a per-pupil basis, using whichever result was more favorable to the LEA. This benefited small districts for which an abrupt increase in enrollment might lead to an abrupt decline in per-pupil spending even though total spending was unchanged. [2]

Title I gave the U.S. Office of Education (later the U.S. Department of Education) authority to waive a district's maintenance-of-effort requirement for one year in the event that "exceptional and unforeseen circumstances," such as a natural disaster or an abrupt downturn in the local economy, rendered a district unable to maintain its current level of spending. Local tax revolts were specifically not included in the list of "exceptional circumstances" for which a waiver was allowed.

Maintenance of Effort Under Chapter 1

Chapter 1 modified Title I's maintenance-of-effort provision in three ways. First, Chapter 1 allows LEAs to reduce their level of state and local expenditure in a given year by 10% (measured on an aggregate or per-pupil basis, whichever is most favorable to the LEA) without being out of compliance with maintenance of effort. Under Title I, if a district's spending fell by even a small amount (as measured by the more favorable of the two measures), the district was not in compliance with the law. Second, under Title I an LEA that reduced state and local spending lost all of its Title I grant; Chapter 1 reduces the LEA's grant according to the percentage by which that LEA falls short of 90% of its previous year's expenditure. [3]

Finally, Chapter 1 shifted the authority to waive LEAs' maintenance of effort requirement from the U.S. Department of Education to the state education agencies. One Chapter 1 director who had had an unpleasant experience with the Education Department's failure to act promptly on a waiver mentioned that he was pleased with this change.

Several state Chapter 1 directors expressed satisfaction with ECIA's general relaxation of Title I's maintenance of effort provision. These directors stated that

this relaxation saves SEA administrative time: since few districts will reduce their total expenditures by more than 10 percent in one year, the state directors have to examine fewer districts' enrollment data to test maintenance of effort by the alternate criterion of per-pupil expenditures. Not surprisingly, compliance has increased now that there is a less strict requirement to comply with. Of the thirty-nine directors who said that all LEAs in their state met the Chapter 1 maintenance-of-effort standard in the last two years, twenty-one stated that one or more districts would have failed had the Title I standard remained in effect (Table 4.1). [4]

Table 4.1
States With LEAs That Failed to
Maintain Effort in 1982-83

Number of SEAs Reporting That One or More LEAs Failed	11 a/
Number of SEAs Reporting That One or More Would Have Failed Under Title I Standard	32 b/

a/ N = 50 LEAs

b/ n = 45 LEAs

Many directors seem to believe that LEAs should be given some flexibility to decrease their local expenditures on occasion. They argue that many maintenance of effort problems

occur in extremely small districts that lay off a teacher in response to a gradual decline in enrollment, or in districts experiencing large fluctuations in the local economy. Although states have the power to waive maintenance of effort requirements for school districts in the latter category, directors are relieved that they do not have to process large numbers of waiver applications whenever there is a downturn in the local economy. One Chapter 1 director cited the "lumpiness" of some local expenditures, such as textbook purchases, as a reason for preferring a more flexible maintenance of effort requirement.

Prohibition of General Aid

Title I's early regulations stated that money intended to "meet the special educational needs of educationally deprived children" should be spent entirely for that purpose, and not be used to meet the district's general expenses. During the first five years of Title I, however, this rule was not strictly enforced, and federal auditors uncovered many instances of use of Title I money as general aid. In the Senate report for the 1969 Education Amendments, Congress clarified its intent that Title I funds "be concentrated on the priority needs of poor children and...not [be] diverted to meeting other needs of school systems, however pressing these other needs may be." During the 1970's, states tightened up

their enforcement of the rule, and in 1972 USOE cancelled a handbook that appeared to sanction the use of Title I funds to meet general school needs. [5]

Two provisions enacted by Congress in the 1978 Education Amendments gave LEAs more flexibility to use Title I funds to benefit non-Title I students under certain circumstances. One allowed LEAs, in schools with a more than 75 percent low-income student body, to use Title I funds for schoolwide projects benefiting all the students in the school. In order to use this provision, a district had to match the Title I funds with state and local funds, in proportion to the percentage of non-educationally deprived students in the school.

A second provision enabled LEAs to permit a limited number of non-Title I children to participate in the Title I project if it was impractical to exclude them, and if the inclusion of those children would not increase program costs or decrease the availability or effectiveness of services to Title I-eligible children.

Chapter 1, as enacted in 1981, prohibited the use of federal compensatory funds for general aid but dropped both of the Title I provisions that gave districts more flexibility. In 1983 the Technical Amendments restored the provision

allowing schoolwide projects; Chapter 3 of this study contains comments and recommendations on this provision.

Several directors noted that when local budgets are tight, there is strong pressure from local superintendents or school boards to use Chapter 1 funds to meet general school expenses. Consequently, the need for enforcement of the general aid prohibition has not diminished.

Supplement-Not-Supplant and Excess Costs

Congress's intent to aid educationally deprived children would not be met if LEAs used Chapter 1 money to replace state and local funds that would otherwise have been spent on those children, and shifted the state and local money to other schools or children or back to local taxpayers. To the extent that such a shift occurred, the federal dollars would in effect be going to the groups to whom the funds were shifted, rather than to the students that Congress intended to help.

Congress had this realization clearly in mind in 1970 when it incorporated into Title I a requirement that LEAs use their Title I funds to:

> supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for the education of pupils participating in programs and projects assisted under

> this title, and in no case...to supplant such funds from non-Federal sources.

Since Title I services offered inside or outside the classroom did, in most instances, replace the "regular" program for part of the school day, determining whether a district was using Title I money to supplant local effort was not a simple matter. Congress solved this problem in part by establishing an "excess cost" test: a district had to offer Title I children extra, more intensive services than children not in Title I, and Title I funds could only be used to pay the incremental cost of the additional services. In addition, regulations issued by USOE listed conditions that Title I programs of various designs had to meet in order to satisfy the supplement-not-supplant requirement. The regulations also stated that Title I funds could not be used to pay for any service mandated by Federal, state, or local law, because that service would be provided to Title I students with state and local funds in the absence of Title I.

Congress retained the supplement-not-supplant requirement in Chapter 1. The extensive guidance on which program designs were supplemental disappeared from the regulations but reappeared in the Nonregulatory Guidance. Chapter 1 omits the excess cost provision entirely, although some states still use excess cost as one method of determining whether a Chapter 1 project meets the supplement-not-supplant

requirement. OMB's Compliance Supplement, the audit guide available for use in the single audits, suggests that auditors use an excess cost test to determine whether Chapter 1 funds are supplemental.

Exemption of State Compensatory Education from Supplement-Not-Supplant

A more significant change in the supplement-not-supplant rule occurred in the case of state and local compensatory education (SCE) funds. [6] In the mid-1970s several states and LEAs had sought to use these funds as a complement to Title I, using Title I funds to serve children in Title I schools and SCE funds to serve educationally deprived children in non-Title I schools. This practice clearly violated the supplement-not-supplant rule, as the introduction of federal compensatory education money into Title I schools displaced state and local compensatory funds from those schools. As a result, the 1978 Education Amendments and the Alexander v. Califano court ruling required LEAs to make certain that Title I schools received "their fair share" of SCE funds, which meant that Title I schools in the aggregate had to receive the same amount of state and local compensatory funds that they would have received in the absence of Title I.

Under ECIA, as clarified by the Technical Amendments, the supplement-not-supplant requirement no longer applies to

SCE programs that meet the requirements specified in Sec. 131(c) of Title I. [7] Consequently, states or districts are free to concentrate all of these funds in non-Chapter 1 schools if they so desire. However, ED does not regard state compensatory education services are exempt from the supplement-not-supplant requirement if those services are mandated by state law. In that case, the Department argues, the services are no longer "supplementary" as required by Sec. 131(c)(3) of Title I.

How many districts are using this exclusion to channel state CE resources to Chapter 1-ineligible schools? Of the twenty state directors who report that their states operate SCE programs, five report that districts in their states are now spending a greater proportion of those resources in non-Chapter 1 schools than was the case before ECIA was passed. Of the other fifteen states, eleven assert that the exemption of SCE from the supplement-not-supplant requirement has had no effect on local allocation of SCE funds, one treats SCE as part of a district's regular, non-compensatory program, and one said that the state's compensatory education program is too new to tell (Table 4.2). [8]

The five directors who reported that their states were affected by the SCE exemption all favored continuing the exemption. One director termed the exemption:

> ...a godsend. It gets money to needy children not in Chapter 1 areas. Before, it was hard to determine how much money needed to be spent on Title I schools. The result was that the state compensatory money was nearly all going to Title I schools. Districts now rank-order all children in the district and serve from the most needy up, serving the non-Chapter 1 schoolchildren with state money.

A second director commented:

> ...prior to [Chapter 1], we made damn sure Title I schools got their fair share of the money even if they were no longer the neediest schools. Now, LEAs can spend the money where the need is -- it has worked out to everyone's advantage. Before, we had an abundance of dollars in Title I schools but none in other schools.

Table 4.2
Has Exemption of State Compensatory Education From Supplement-Not-Supplant Caused LEAs To Spend More SCE Money in Non-Chapter 1 Schools?

	Number of SEAs
More SCE Money Spent in Non-Chapter 1 Schools	5
More SCE Money May Be Spent in Non-Chapter 1 Schools in the Future, But No Change So Far	2
No Change From Title I	9
SCE Not Supplementary, So Not Exempt	1
Don't Know or Data Missing	3
Total Number of SCE States as of Fall 1984	20

The counterargument to this is, of course, that districts may overlook pressing needs remaining in Chapter 1 buildings and spend money in non-Chapter 1 buildings for political reasons, not because the needs of the unserved children in the non-Chapter 1 schools are greater. Whether or not this is actually occurring can only be determined by examining actual expenditure patterns of federal and state compensatory education money at the local level.

Supplement-Not-Supplant and Pullout Programs

Previous studies indicated that under Title I most districts used an instructional design in which children were pulled out of the regular classroom to receive Title I instruction elsewhere in a laboratory, small-group, or separate classroom setting. [9] Many LEAs preferred these pullout programs not only because they believed pullouts to be educationally superior, but also because they thought that pullout programs appeared "cleaner" on audit, that is, they made it easier to demonstrate that Title I funds were not being used for supplanting or general aid. In response to this belief, Chapter 1 included a statement that pullout programs are not required to meet the supplement-not-supplant requirement.

Thirty-nine state Chapter 1 directors report that

pullout programs continue to be the predominant method of service delivery in their states. Six directors report that in-class models are more common in their states; while three other SEAs report that the two kinds of models are equally common (Table 4.3).

Table 4.3
Predominance of Pullout or In-Class Instruction vs. Type of Instruction SEA Recommends

	Pullout Predominant	In-Class Predominant	Neither Predominant	
SEA Recommends Pullout	14	0	0	(14)
SEA Does Not Recommend Pullout	25	6	3	(34)
Total	39	6	3	(48)

(Numbers in Parentheses are Row Totals)

Fourteen directors stated that they "recommend" or "personally favor" the pullout model; the most common reason, mentioned by nine of these directors, was that pullout programs curb some teachers' natural tendency to use in-class Chapter 1 aides for general classroom duties. Seven directors, including one who favored in-class models, commented that test results in their states have tended to show that pullout programs are more effective.

Of the directors that do not specifically recommend pullouts, twenty-four asserted that they do not recommend any method in particular, six stated that they prefer in-class models, and one supported a "teacher pairing" model that was difficult to classify in either category. Directors who do not recommend any one method generally argued that the best method depends on local circumstances. Advocates of in-class programs claimed that those programs promote better co-ordination between regular and Chapter 1 teachers and prevent the stigmatization of Chapter 1 students.

Guidance on Supplement-Not-Supplant

The Title I regulations described in detail, using examples, what types of program designs would meet the supplement-not-supplant requirement. With Chapter 1's emphasis on deregulation, these detailed descriptions disappeared from the regulations. ED has worked to make up for this by providing similar descriptions and examples in the Nonregulatory Guidance.

Several state directors asserted that the Chapter 1 law or Nonregulatory Guidance on supplement-not-supplant needed more specificity to cover certain situations. One director, for example, wanted the Department of Education to spell out more specific supplement-not-supplant criteria for secondary

school programs, particularly in situations in which almost all high school courses are mandated by state law. Other directors pointed out that the increase in state-mandated coursework and remediation at the secondary level is making it more difficult to design high school Chapter 1 programs that do not violate the supplement-not-supplant rule. Some states are responding to this problem by adopting excess cost rules that enable Chapter 1 funds to pay the incremental cost of reducing class sizes in state-mandated remedial courses below the normal class size supported with state and local funds.

Comparability

In the mid-1960s, segregated school systems in the South spent a much smaller amount of state and local resources, per pupil, in their black schools than in their white schools. When Title I was enacted, many of these school systems used the Title I funds to make up some of the difference. The districts argued that they were not supplanting state and local funds that would never have been spent on black children anyway. As the then-Title I Director in South Carolina said in an interview in the late 1960s:

> Congress assumed that there would be an effort to equalize [state and local] expenditures across schools. That assumption was wrong...If in the past you did not spend state and local money in a certain school for a certain purpose, how can you call it supplanting if you now spend Federal Title I money in that school for that purpose? You cannot

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supplant what you have not spent. [10]

Consequently, beginning in 1968 the Title I regulations prohibited discrimination against Title I schools in the provision of state and local educational services. In February, 1970, USOE specified that state and local per-pupil expenditures in Title I schools had to be equivalent to those in non-Title I schools; and that state and local spending had to provide Title I schools with the same teacher-pupil ratios, nonteaching staff-pupil ratios, and levels of educational services. [11] In April, 1970, Congress amended the statute to require that:

> State and local funds will be used in the district of such [local educational] agency to provide services in project areas which, taken as a whole, are at least comparable to services being provided in areas in such district which are not receiving funds under this title...each local educational agency receiving funds shall report on or before July 1, 1971, and on or before July 1 of each year thereafter with respect to its compliance with this clause. [12]

The requirement that LEAs equalize per-pupil expenditures between schools was controversial because school districts had traditionally placed their most inexperienced teachers in schools in the lowest-income neighborhoods, and allowed more experienced teachers to transfer to schools in more affluent areas. Thus, equalizing per-pupil expenditures would have compelled districts to transfer large numbers of experienced teachers into schools in low-income areas.

Several teachers' unions and the National Association of School Boards lobbied against this requirement. Largely as a result of this lobbying, the comparability regulations that USOE developed in the early 1970s required LEAs to overlook salary differentials resulting from teacher experience in calculating per-pupil expenditures. Ironically, this made the comparability calculations much more complex and burdensome. Instead of dividing total expenditures on salaries and equipment in each building by the number of students in that building, using data the districts routinely collected anyway, a district had to do a separate tabulation transforming each teacher's salary into the salary a beginning teacher with similar degrees and credentials would have received. This more burdensome method of calculating comparability remained the rule throughout the lifetime of Title I.

By the late 1970's, the comparability requirement consisted of three parts:

a) Determining comparability. A district had to show that the ratio of state- and locally-funded instructional staff to students, and its per-pupil state and local expenditures on instructional salaries, were no more than five percent less in each Title I school than the average of the non-Title I schools. If all schools in a district were receiving Title I

services, the district had to show that expenditures in each school were no more than five percent less, according to these two criteria, than the average of the higher-income half of the district's schools. A district could group schools by size and by grade span in making these calculations.

b) Maintaining comparability. An LEA had to repeat those calculations later in the school year to determine that schools staff-pupil ratios and per-pupil expenditures continued to be comparable. The Title I regulations allowed up to a ten percent difference among schools when these calculations were made.

c) Documenting comparability. A district had to send the SEA an annual "comparability report" showing the results of these calculations, and to keep records onsite documenting the information on which the calculations were based.

In 1978 Congress added the requirement that LEAs show that expenditures among schools were comparable, even if all of a district's schools were eligible for and served by Title I. In addition, Congress allowed LEAs to exclude "state phase-in programs" (basically state-supported school improvement projects) and programs for bilingual, limited-English-proficiency and handicapped children from comparability calculations, as non-Title I schools might have a

greater proportion of children eligible for those programs. [13]

Comparability Under Chapter 1

Of all the fiscal provisions, comparability underwent the greatest change under Chapter 1. Chapter 1 eliminated the Title I requirement for comparability reporting, and stated that a school district could satisfy the comparability requirement by providing an assurance in its application that the district has "a district-wide salary schedule; a policy to ensure equivalence among schools in teachers, administrators, and auxiliary personnel; and a policy to ensure equivalence among schools in the provision of curriculum materials and instructional supplies." Chapter 1 also specified that unpredictable changes in enrollment or personnel assignments during the school year do not render an LEA out of compliance.

The original version of Chapter 1 also dropped the Title I exclusion from comparability of state and local funds for bilingual programs, programs for handicapped children, and state phase-in programs. Congress restored these exclusions in the 1983 Technical Amendments.

Logically, implicit in the "assurance" provision is a requirement that school districts implement the policies described in the assurance. It makes little sense to assume

that Congress expected LEAs to announce a comparability policy, but did not care whether the LEAs carried out that policy.

The Department of Education acknowledged this in its June 1983 Nonregulatory Guidance:

> Although LEAs are no longer required to demonstrate comparability on an annual basis, an LEA must ensure that it complies with the assurances that it provides under Section 558(c)(2) and will be held accountable for any breach of those assurances. Compliance with the assurances may be examined as part of program reviews, audits, or lawsuits concerning compliance. The LEAs, therefore, should retain documentation to show that they have implemented the policy contained in their assurances. An LEA that has failed to comply with the assurances will be in violation of the Chapter 1 statute.

Most states hold the same opinion. Four states continue to require that LEAs submit comparability reports. Thirty-nine require, as the Department of Education suggests, that school districts maintain documentation in the LEA's central office, for state monitors to examine, showing that the district's schools had comparable teacher-pupil ratios and received comparable resources on a given date (Table 4.4). This documentation tends to bear a striking resemblance to the information contained in an old-fashioned comparability report. In these states, the absence of a requirement to submit comparability reports to the SEA in effect saves the LEA the cost of postage; they must compile essentially the same information in their central office to make certain their

schools are comparable and for state personnel, time spent reviewing comparability reports in the state office is replaced by time spent reviewing the same information on a monitoring visit. [14] Not surprisingly, many LEAs in these states prefer to mail in their comparability information voluntarily, to guarantee that everything will be in order on the monitoring visit.

Table 4.4
Does The SEA Monitor
Comparability Records Onsite?

SEA Checks Records Onsite:	42	
Checks Personnel and Supply Records		39
Checks Personnel But Not Supply Records		3
SEA Does Not Check Records Onsite	7	
Total Responding	49	

Three states report checking the staff-pupil ratios on a monitoring visit but leave examination of comparability of curriculum supplies up to the audit. The monitors in one state, after examining the policy on allotment of supplies, ask the principals in Chapter 1 schools if they have received their full allotment. The reasoning is that if a school is

shortchanged, the principal will be among the first to want to complain about it.

Other states generally expect LEA personnel to do a comparability calculation; monitors do not personally check the accuracy of the computation, but ask the LEA personnel if they uncovered a comparability problem. Occasionally they may spot-check to see if what the local people are telling them is accurate.

Although most SEAs require districts to check comparability and maintain appropriate records, thirty-two directors opposed reintroducing the Title I requirement that those records be submitted to the states (Table 4.5). These directors generally agreed with the directors who commented:

> We don't need the reports. The reports are no better than the information contained in them, and we've got to check that at the LEA anyway.

> I think our districts are doing a good job. When we do our monitoring we check that out anyhow. I like the idea of doing away with paperwork. We wouldn't have the staff [to review the reports].

The thirteen directors favoring reintroduction of the federal comparability reporting requirement argued that:

> States that don't require comparability reports cause districts not to give as much attention to [comparability] as they probably should.

> It would help LEAs tremendously to have to do reports. We only require districts to keep work papers. The finance section [of the LEA] may do

> these, and the [local] Chapter 1 director may never see them. Then, when the auditors come in, the district gets in trouble.

One director was ambivalent about having such a requirement:

> If it was for [my state], I don't think it would be necessary -- but I will not [oppose the requirement] if districts in other states are putting inexperienced teachers into high-risk schools. I know just about every building principal in the state and I know how tenacious they are in making certain their building gets its fair share. If they go back to comparability reports, they should keep the provisions for schools with less than 100 students, for [doing separate calculations for] large and small schools.

Table 4.5
Does The State Support
Reinstatement of the Federal
Comparability Reporting Requirement?

SEA Supports Requirement	13
SEA Does Not Support Requirement	32
Total Responding	45

Why don't the states that want a federal comparability reporting requirement institute such a requirement themselves? Although the survey did not ask directors this question, most would probably have responded that although they and their Chapter 1 offices believe in the desirability of such a requirement, the SEA as a whole has no such belief and is

sensitive to pressures from the state legislature for local control. Several directors mentioned that although their state has no formal comparability reporting rule, most districts send the reports in anyway as a result of informal pressure or encouragement by the Chapter 1 office.

In order to determine comparability of teachers and support personnel, SEAs generally require LEAs to compute staff-pupil ratios only, without having to do a second computation comparing per-pupil salary expenditures between schools. Several state directors said that this was a significant reduction in paperwork burden for LEAs, which previously had to perform both computations. This may especially be the case because of the additional complexity caused by the requirement under Title I that districts factor out differences in teacher experience in calculating per-pupil expenditures.

One director asserted that magnet schools create comparability problems for districts, as they are more expensive to operate that regular schools. This is a question that only a direct research investigation can resolve.

Of all the compliance issues, comparability comes the closest to being a pure number-crunching exercise susceptible to easy checking by accountants. The Single Audit Act requires

that auditors examine whether the district "has complied with laws and regulations that may have a material effect upon each major Federal assistance program." This should mean that the single audits will examine comparability wherever the requirement applies. Whether auditors will do an adequate job of verifying comparability in practice, however, will only become apparent as the implementation of the Single Audit Act proceeds.

RECOMMENDATIONS

The changes in Chapter 1's maintenance-of-effort, comparability, and supplement-not-supplant provisions have given LEAs more flexibility, and seem to have caused some reduction in administrative workload. Most state directors seem to be pleased with these changes. Nonetheless, they raised troubling questions that only a carefully-researched examination of the facts can answer. Congress needs to take a closer took at some of these provisions, particularly comparability and supplement-not-supplant, to make certain that greater flexibility is not being bought at the expense of protecting the interests of Chapter 1's neediest children. In particular:

1. Now that state and local compensatory education money is exempt from the supplement-not-supplant rule, the

possibility that LEAs may spend a greater proportion of SCE money in non-Chapter 1 schools than would be justified by examining the relative needs of children in the two types of schools, becomes a legitimate concern. NIE may address this concern by examining SCE expenditures in a sample of districts to see if such a pattern is emerging. Congressional staff members should encourage NIE to examine this issue in their current study of Chapter 1.

The case for continuing to exempt SCE from the supplement-not-supplant requirement would be strengthened if research shows that districts are using SCE and Chapter 1 funds to serve children essentially in rank order of need districtwide, using SCE funds as needed in the non-Chapter 1 schools. To put the matter in slightly different words, districts' transfer of SCE funds to non-Chapter 1 schools should not leave large unmet needs in Chapter 1 schools, which overshadow the unmet needs of children in non-Chapter 1 schools.

2. With regard to comparability, Congress should make certain that someone examines whether the district policies described in the assurances are actually implemented. This can be done by specifying in the statute that monitoring comparability is an SEA responsibility unless the SEA determines that the audit process in the state is examining and

enforcing comparability in every district where the rule applies.

The critical comparability issue is that comparability be checked, not whether comparability reports should be sent in to the states. However, if districts know that comparability is certain to be checked, this should provide leverage to those Chapter 1 offices that would like to receive comparability reports, but are unable to get a comparability reporting requirement through their state rulemaking process. These SEAs will have more ability to persuade LEAs to submit the reports voluntarily, so that the state can help the district put everything in order before the upcoming audit.

3. Congress should also examine whether comparability is necessary in instances in which all of a district's schools are eligible for and served by Chapter 1. [15] This situation presumably arises only in districts with no wide variance in low-income concentrations, in districts in which all schools have a low-income concentration greater than 25%, or in districts with less than 1000 enrollment. In some or all of these cases one might argue that the likelihood of intentional discrimination between schools seems small and the record-keeping involved in documenting comparability serves little purpose. This question may partly be answered by examining available evidence on whether discrimination among

schools was prevalent in such cases before 1978.

4. Congress should also direct NIE to examine whether maintaining comparability is a problem in LEAs operating magnet schools, and if so, what sort of exemption or adjustment of the requirement would be appropriate in the case of those schools.

NOTES TO CHAPTER 4

1. In 1980-81, the latest year for which actual data were available, approximately 9.3 percent of school district revenues came from the federal government. National Center for Education Statistics, Digest of Education Statistics -- 1983-84, p.77.

2. This provision was contained in Sec. 323 (a) (1) of the Education Amendments of 1976. U.S. Code Congressional and Administrative News, 1976, 90 Stat. 2218.

3. Suppose, for example, a school district's expenditures in one year are 87 percent of its expenditures in the previous year. Since the district falls 3 percent short of the required 90 percent, the LEA's Chapter 1 grant in the following year will be reduced by 3 1/3 percent (3 percent divided by 90 percent).

4. Since maintenance of effort is measured in nominal dollars, a low rate of inflation makes it easier for school

districts to fail.

5. See footnotes 5 and 7 in Chapter 1 of this study.

6. Title I and Chapter 1 place compensatory education programs operated with locally-raised funds in the same category as state compensatory education programs. Hence, the reader should treat "state compensatory education programs" as shorthand for CE programs funded from either state or local sources.

7. These requirements are:

> "(1) all children participating in the program are educationally deprived,
>
> "(2) the program is based on performance objectives related to educational achievement and is evaluated in a mannner consistent with those performance objectives,
>
> "(3) the program provides supplementary services designed to meet the special educational needs of the children who are participating,
>
> "(4) the local educational agency keeps such records and affords such access thereto as are necessary to assure the correctness and verification of the requirements of clauses (1), (2), and (3) of this subsection, and
>
> "(5) the State educational agency monitors performance under the program to assure that the requirements of clauses (1), (2), (3), and (4) of this subsection are met."

8. Of the eleven directors that reported no change in use of SCE funds under Chapter 1, two stated that Chapter 1

overlays SCE money; three others stated that SCE money is allocated independent of Chapter 1 funds, or according to the same guidelines as Chapter 1 funds; two said that the amount of SCE funds is too small for the exemption to have any effect; and one said that districts tend to use SCE money in different grade levels from Chapter 1 money.

Two directors gave no explanation for why there was no change, and one director said that since the state used to receive permission under Title I to exempt SCE funds anyway, the Chapter 1 exemption has had no effect.

9. The most recent of these studies is Advanced Technology, Local Operation of Title I, ESEA (part of the "Title I District Practices Study") Chapter 5, pp. 32-43. The 1982 Sustaining Effects Study and the 1977 NIE study of Title I also documented the predominance of pullout programs. Launor F. Carter, A Study of Compensatory and Elementary Education: The Sustaining Effects Study: Final Report (System Development Corporation unpublished report, January, 1983, Chapter 3, p.1; and National Institute of Education, Compensatory Education Services (Washington, D.C., 1977) p. 30.

The Nonregulatory Guidance lists the five general categories into which Title I and Chapter 1 projects have been classified:

- In-class projects, in which Chapter 1 services are provided to students within the regular classroom;

- Limited pullout projects, in which students receive Chapter 1 instruction outside the regular classroom for less than 25 percent of the school day;

- Extended pullout projects, in which students receive Chapter 1 instruction outside the regular classroom for more than 25 percent of the school day;

- Replacement projects, in which Chapter 1 students are placed in entirely separate classes with other Chapter 1 students; and

- Add-on projects, in which students receive Chapter 1 instruction at times outside the normal school day.

The NRG lists criteria under which each type of project is in compliance with the supplement-not-supplant rule. For example, in a limited pullout project, the regular classroom teacher (paid with state and local funds) must oversee and supervise the instruction of the Chapter 1 student that takes place outside the regular classroom.

Educational research has documented that close co-ordination between Title I and regular classroom teachers produces better educational results. The Sustained Effects

Study found, for instance, that "co-ordination of instruction" between Title I and regular teachers was one of the few classroom variables that produced a statistically significant increase in the children's achievement. Carter, The Sustaining Effects Study: Final Report, Chapter 9, pp. 35-36.

10. Quoted in Washington Research Project, op. cit., p.17.

11. Robert Silverstein, The History of the Title I Comparability Provision (Washington, D.C., AUI Policy Research, 1980) 2-9.

12. U.S. Code Congressional and Administrative News, 1970, pp. 137-8.

13. For a statewide school improvement effort to qualify as a "state phase-in program," at least half the schools in the program must be those containing "the greatest number or concentrations of educationally deprived children or children from low-income families."

14. The fact that monitoring may occur two or three years after a comparability violation has occurred means, however, that the system of requiring comparability reports may be better at detecting and correcting comparability violations before the year is over -- provided districts fill in the

reports accurately and SEA personnel have time to study the reports.

15. In cases where all schools are eligible for, but only some schools are receiving Chapter 1 funds, one might argue that the comparability requirement serves as a check that the district does not use federal dollars for general aid. In this view, the district might choose to shift state and local dollars out of Chapter 1-funded schools into schools not funded by Chapter 1, thus supplanting local dollars in Chapter 1 schools and providing general aid to students in the non-Chapter 1 schools.

Chapter 5
Improving Program Effectiveness: Evaluation of Chapter 1 Projects

When Title I, ESEA was enacted in 1965, one of its provisions, inserted on the insistence of Senator Robert Kennedy, was that "effective procedures, including provision for appropriate objective measurements of educational achievement, will be adopted for evaluating at least annually the effectiveness of the programs in meeting the special educational needs of educationally deprived children..." and that LEAs report the results of these evaluations annually to SEAs. Senator Kennedy believed that without a method with which to hold districts accountable, Title I programs might fail to meet the students' special educational needs, just as the regular curriculum had done in the past. [1]

By the late 1970's, the Title I evaluation provisions had been modified to assign responsibility as follows:

- LEAs collected and analyzed evaluation data at least once every three years, and were required to use the evaluation results to improve their Title I projects. The evaluation data collected had to include an examination of whether the positive effects of programs conducted during the regular school year were sustained over the summer.

- SEAs evaluated their state-operated programs in a similar fashion. States also collected evaluation data from LEAs at least once every three years and forwarded that data to USOE.

- USOE developed acceptable evaluation models and a common format for states to use in reporting evaluation results. The three approved models that USOE adopted, and the common reporting format that the agency developed, became known as TIERS (Title I Evaluation and Reporting System). [2] The advantages of a common nationwide reporting system were that the system facilitated cross-district and cross-state comparisons, and made it possible to aggregate LEAs' and SEAs' data into national data which could then be used to make statements about the effectiveness of the program.

Title I also incorporated language, later dropped by Chapter 1, instructing LEAs and USOE to disseminate information about effective programs and practices. The availability of a common evaluation and reporting system made it easier to make the comparisons needed to determine what the most effective programs and practices were.

In 1976 USOE established the Technical Assistance Centers (TACs) to improve the quality and usefulness of SEAs'

and LEAs' Title I evaluations. The TACs were USOE's way of fulfilling a 1974 Congressional mandate that the Office provide technical assistance to states to help them assist LEAs in implementing the approved evaluation models. Chapter 6 of this study discusses the role of the TACs in more detail.

Chapter 1 preserved the ESEA requirement that LEAs evaluate their Title I programs to determine their effectiveness, but deleted the requirement that districts use one of the three evaluation models adopted by the Department of Education. By reducing ED's regulatory power, ECIA also took away the Department's power to require a common reporting format, unless ED determines that such a format is necessary for LEAs to be "in compliance with the specific requirements and assurances required by this subtitle."

ECIA also omitted Title I's mandate that the results of the evaluation be used to improve the program. The Technical Amendments, however, corrected this omission by including a clause "that the results of such evaluation will be considered by such agency in the improvement of the programs and projects assisted under this chapter."

The Technical Amendments also restored the Title I requirement that SEAs collect evaluation data. The Amendments changed the required frequency of state evaluations from once

every three years to once every two years, and instructed SEAs to "make public the [evaluation] results" rather than requiring the submission of those results to ED. In addition, the Technical Amendments added a requirement for SEAs to "collect data on the race, age, and gender of children served by the programs assisted under this chapter and on the number of children served by grade-level under the programs assisted under this chapter."

Several Chapter 1 directors thought the race, age, and gender data was unnecessary since there was no allegation of race or sex discrimination in the program; and age data largely duplicated data they were already collecting on the grade level distribution of Chapter 1 students. TIERS had collected data on the number of children served by grade level and race but not on their age or gender.

Current LEA Evaluation Practices

Despite the fact that Chapter 1 eliminated Title I's requirement that LEAs use one of three prescribed models, there appeares to have been remarkably little interest among LEAs in trying out other models. All but a few districts are using TIERS Model A, which examines whether Chapter 1 participants' test scores improve relative to those of a nationwide sample of students. Thirty-eight states report that every one of their

districts uses Model A. In twelve of these states, the SEA requires districts to use Model A; in the other twenty-six states, the universal use of Model A is voluntary. Two additional states report that all their LEAs use Model A except in preschool programs, for which there are no reliable standardized tests (Table 5.1).

Table 5.1
Use of Evaluation Models

	Number of States	
All Districts Use Model A:	40	
Model A is a State Requirement		12
All LEAs Use Model A Voluntarily		26
All LEAs Use Model A Except in Preschool		2
One or More LEAs Use Models B or C	5	
Some LEAs Use Non-TIERS Models	2	
Don't Know What Models in Use	3	
Total SEAs Responding	50	

According to directors, Model A is popular because it is the simplest evaluation design to carry out, and requires

the least expertise or specialized training on the part of LEA personnel. For that reason use of other models appears to be most common in larger districts that can afford to hire people with specialized training in statistics and experimental design. Only one state is an exception to this; that SEA reports that "many other [evaluation models are] in use in small LEAs." Two directors asserted that larger LEAs in their states had started out using Model C, the regression model, but switched to Model A because the latter model made their results look better. Model B, the control group model, is seldom used because LEAs have difficulty finding a comparable control group: since Chapter 1 serves the most educationally deprived children, those not served by the program are not comparable to those in the program.

Judging from directors' comments, the most difficult problem in evaluation appears to be that of producing valid results, and recognizing when results are not valid. In addition to measuring actual student achievement in mastering basic skills, objective test results reflect the level of test-wiseness of the students, the extent to which teachers "teach the test," and the conditions under which the test is administered. State directors report that the Technical Assistance Centers have been particularly helpful in working with SEAs and LEAs on this issue.

SEA Collection of Evaluation Data

All fifty SEAs currently collect evaluation data from LEAs. Of these, twenty states collect data from each district every year. Of the remaining states, nine collect data annually from one-third of their districts, four collect data on a two-year cycle, three are changing from a three- to a two-year cycle, and two are changing from a three- to a one-year cycle. Twelve states did not report their data collection cycle (Table 5.2).

Table 5.2
SEA Collection of Evaluation Data

	Number of States
Collect Data From Every LEA Annually	20
Collect Data From Every LEA On A Two-Year Cycle	4
Collect Data From Every LEA on a Three-Year Cycle	9
Changing From a Three- to a Two-Year Cycle	3
Changing From a Three-Year to an Annual Cycle	2
Did Not Report Data Collection Cycle	12
Total SEAs Interviewed	50

Forty-four states report still using the TIERS

reporting system; these SEAs generally find that reporting system useful, either because of the possibility of making cross-state comparisons or, more frequently, because directors see TIERS as a way of documenting the success of the program.

RECOMMENDATIONS

The general impression one gets from talking to directors is of an evaluation process little changed from that under Title I. The critical evaluation issue, as it was under Title I, is how districts can use the results of these evaluations to improve their programs. According to SEAs, the Technical Assistance Centers have provided considerable assistance to districts in this area. SEAs mentioned that they need help from the TACs in certain specific areas, such as evaluation of programs for neglected or delinquent children. These programs are difficult to evaluate because of the transience of the student population they serve.

1. Congress should give the U.S. Department of Education explicit permission to mandate a common reporting format among states. Most states are using the TIERS format anyway, and use of a common format not only facilitates cross-district and cross-state comparisons, but makes it easier to gauge the success of the program.

2. Congress should encourage ED to give more technical

assistance to states concerning districts whose projects are of marginal "size, scope, and quality." SEAs are extremely reluctant to cut off funds under these circumstances -- I heard of no specific instances in which this had occurred -- but some form of state activism, such as extra technical assistance, may be called for when local projects are not showing results. The potential of a more active state role is in large part the subject of the next chapter, on state monitoring and delivery of technical assistance to LEAs. Chapter 6 also examines the role of the TACs and the National Diffusion Network (NDN) in assisting districts in improving technical assistance to districts.

NOTES TO CHAPTER 5

1. McLaughlin, Milbrey, Evaluation and Reform: The Elementary and Secondary Education Act of 1965, Title I (Cambridge, Mass., Ballinger Publishing Co., 1975) pp. 1-4.

2. These models were:

- Model A-1, which examined whether Title I students improved their percentile scores on nationally-normed tests after participation in the program. In effect, this made the local Title I participants the "treatment" group and their peers in a nationwide sample of students who earned similar scores on the pretest the "control" group.

To make up for the fact that percentiles are more closely bunched together near the 50th percentile, making a near-"average" student's gain appear more impressive than a low-scoring student's gain, percentile scores were converted into "normal curve equivalents" (NCEs) which divide up the range between the first and the 99th percentiles into 98 equal intervals.

- Model B-1, which examined whether Title I students improved their scores on nationally normed tests relative to a comparable local control group of non-Title I students. Since Title I served the neediest students in the schools where it existed, districts had to look for the comparable control group in schools not served by Title I, and such a group might not exist at all.

- Model C-1, which used a regression model to examine whether the difference between pre- and posttest scores on nationally-normed tests was greater for a district's Title I than for its non-Title I students.

Subvariants of these models, Models A-2, B-2, and C-2, allowed a district to follow similar procedures using a test that was not nationally normed, i.e., had not been administered and normed to a nationwide sample of students.

Chapter 6
Improving Program Effectiveness: State Monitoring and Technical Assistance

Title I explicitly directed states to take an active role in monitoring local compensatory projects and offering assistance of districts to improve those projects. Specifically, ESEA required SEAs to monitor LEAs a minimum of once every three years, and visit larger LEAs, and districts with a history of compliance problems, at least once every two years.

In addition, under Title I the State education agency was expected to evaluate the LEA's efforts to "improve the quality and effectiveness of the Title I services being provided," and issue a report to the district within 60 days after the monitoring visit. This report had to be available to district parent advisory council members and state and local auditors. The 1978 Education Amendments also required SEAs to submit a Monitoring and Enforcement Plan (MEP) to ED every three years, describing the state's monitoring schedule, the items to be examined on monitoring visits, and details of the state's audit and complaint resolution procedures.

Probably most important, Title I required states to:

> develop and implement a comprehensive program to provide technical assistance to LEAs...includ(ing) technical assistance for i) preparation of

> applications; ii) planning, development, implementation, and evaluation of programs;...iii) management of projects; and other forms of technical assistance needed by LEAs and state agencies...[and] adopt effective procedures for disseminating to LEAs...a) Significant information derived from educational research; b) Information about successful compensatory education projects; c) Information about other federally-funded and State-funded programs that may provide needed health, social, and nutrition services to eligible Title I children; and d) Any other informaion that will assist LEAs and State aencies in planning, developing, implementing, and evaluating Title I projects.

To help states pay for conducting these activities, in 1978 Congress increased the state administrative setaside from 1.0 to 1.5 percent of the state's total Title I allocation, specifying that the additional half percent be spent on "monitoring, audit resolution, enforcement, and similar activities." The fourteen states whose small Title I allocations entitled them to receive the "floor" or minimum amount received an increase in the minimum from $150,000 to $225,000.

Chapter 1 repealed all of the specific Title I statutory requirements that states monitor and provide technical assistance to LEAs. In addition, ECIA reduced the authorized amount for state administion by one-third, to an amount "not to exceed" 1.0 percent. Chapter 1 made no modification of the minimum authorization of $225,000 for administrative costs in states with small allocations. Inflation, however, has since reduced this "floor" amount to

approximately $155,000 in 1978 dollars.

State Monitoring and Technical Assistance Under Chapter 1

A majority of states (26) report decreasing the frequency of their monitoring visits under Chapter 1. Most of these states attribute the decrease not to the elimination of monitoring provisions in the statute, but to staff reductions made necessary by the reduction in the administrative setaside.

The elimination of monitoring requirements did, however, induce two states to stop regular monitoring entirely immediatly after Chapter 1 went into effect. Both of these states report having resumed monitoring on a regular cycle by the 1984-85 school year. One of these states, however, anticipates that with current staff levels its monitors will not be able to visit the state's smaller districts more often than once every six years. The Chapter 1 director in a third state reports that the lack of a monitoring requirement has made it difficult to gain SEA approval for hiring another monitoring person, despite the fact that the state's setaside is large enough to do so. As a result, the Chapter 1 office has no idea when it can get around to monitoring the smaller LEAs.

Despite these problems in certain states, forty-two states still monitor every LEA at least once every three years; two additional states report that they will be returning to a three-year monitoring cycle beginning in 1985-86; and one state on a five-year formal monitoring cycle provides a "program review" visit to each LEA every year. This leaves five states that do not get to their smaller districts at least once every three years, and do not anticipate changing over to such a cycle in the near future. These five, however, are among the thirty-nine SEAs that monitor their larger districts annually. Nine SEAs monitor all of their districts annually (Table 6.1).

Table 6.1
State Monitoring Cycles

Monitor Small Districts:	Monitor Large Districts Annually	Do Not Monitor Large Districts Annually	
Annually	9	0	(9)
Every Two Years	11	1	(12)
Every Three Years	13	8	(21)
Every Four Years	3	1	(4)
Every Five Years	1	1	(2)
Less Than Every Five Years	2	0	(2)
Total	39	11	

Numbers in Parentheses are Row Totals

Consequently, there appear to be three main problems in states' monitoring coverage. SEAs report having insufficient time to monitor districts with small Chapter 1 allocations, to visit school sites in larger districts, or to work with districts on program quality issues.

Chapter 1 directors continue to emphasize the importance of monitoring. Directors offered these reasons why they find monitoring important:

1) Monitoring is still necessary to ensure compliance with the law. "There is still pressure to use Chapter 1 money for general aid," as one state director put it.

2) Monitoring is necessary to improve program quality. This is true for several reasons:

a) Monitors carry information about effective practices from school district to school district. Many states make a practice of telling teachers in one district about effective programs in nearby districts, and encouraging teachers to visit those districts to share ideas.

b) Monitors encourage the use of evaluation results to improve program quality. If local Chapter 1 teachers and co-ordinators know that state monitors will be looking at test results and asking what they are doing to improve the schools

and classrooms where children are doing poorly, they are more likely to begin corrective action before the monitors arrive.

c) Monitors provide the only source of regular "peer review" that many teachers and administrators have. The fact that LEA personnel know their program will be subject to periodic review by another set of professional educators is likely to motivate them to do a better job. "[Our visits] help the enthusiasm of the local [Chapter 1] people," said one director. "In some areas Chapter 1 is the bottom priority [for local administrators]."

Whether due to changes made under Chapter 1 or due to an evolution that would have occurred anyway under Title I, nearly all states report assigning a higher priority on their monitoring visits to examining program quality. Despite this increased emphasis on "size, scope, and quality," the majority of states (31) report spending most of their time on monitoring visits examining compliance with other provisions of the Chapter 1 law, such as student selection and comparability. Thirteen additional states report dividing their monitoring time approximately 50-50 between "compliance issues" and "issues of program quality improvement."

Twenty-nine states report that the reduction in state administrative money has adversely affected the thoroughness or

intensity of monitoring, or the amount of technical assistance that they are able to offer to districts. Of these, nineteen states report reducing the thoroughness of their monitoring visits, and twenty-six report offering less technical assistance (Table 6.2). One director asserted that state monitoring was reduced to a "paper check" in most districts due to the reduction in SEA staff. More frequently, directors report that they are not able to spend as much time as they would like monitoring and offering technical assistance in the area of program quality.

Table 6.2
Number of SEAs That Reduced
Monitoring and Technical Assistance

	Reduced	Did Not Reduce
Monitoring Frequency	26	24
Monitoring Thoroughness	19	29 a/
Technical Assistance	26	24

a/ Data from two states are missing.

The twenty-six states that report having reduced technical assistance are not exactly the same twenty-six that reduced monitoring frequency. Nine states reduced their technical assistance that did not reduce the frequency of their

monitoring, and nine SEAs that did reduce monitoring frequency did not reduce their technical assistance. Seventeen states, however, report having reduced both.

In all, thirty-seven states cut back in one or more of the three categories: monitoring frequency, monitoring thoroughness, or technical assistance. Only twelve states have not been adversely affected in one of these three areas. [1] As Table 6.3 shows, large states were much more likely to report having reduced technical assistance.

Table 6.3
Has Your State Reduced Its Technical Assistance to Districts Under Chapter 1?

	Reduced	Did Not Reduce
Large States	12 (75%)	4 (25%)
Medium States	10 (56%)	8 (44%)
Small States	4 (25%)	12 (75%)
Total	26	24

A possible explanation for this is that small states may feel able to retain their "personal relationship" with districts despite staff cutbacks, while large states, for which establishing such relationships is more difficult, feel the loss of staff more acutely.

State legislatures and departments of education are not rushing to make up for the cutbacks in services by providing additional funding for the Chapter 1 offices from state revenue sources. Only two states report using administrative money from other sources, such as Chapter 2 or state funds, to offset the reduction in the state setaside. Two other states combine administration of Chapter 1 and state compensatory education programs: one of these states reports that the reduction in the Chapter 1 administrative setaside has had no effect on the level of state monitoring and technical assistance, while the other state reports that technical assistance has been reduced due to federal and state cutbacks.

While thirty-eight of fifty states report that they are able to satisfy all requests for technical assistance that they receive, most feel hindered from being able to offer additional technical assistance on their own initiative. "We're not satisfied with the amount of technical assistance [that we offer]," said one director. "We have to limit it to questions with short quick answers. I'd like to go over test data with schools, and get into instructional change."

SEAs continue to use a variety of means, apart from monitoring, to provide technical assistance. Thirty-nine states hold statewide Chapter 1 conferences. (A few of these conferences are co-sponsored with other entities, such as the

International Reading Association.) In addition, forty-five states put on regional or local conferences or workshops, and forty-five hold workshops on application preparation and changes in the law. Forty-seven states report that they are able to make informal visits to LEA's on request to look at Chapter 1 projects, fourteen publish a separate Chapter 1 newsletter, and twelve publish sourcebooks of effective practices.

Use of the Technical Assistance Centers

SEAs consider the Technical Assistance Centers (TACs) to be an extremely valuable resource in improving Chapter 1 program quality. All 50 states report contracting with the TACs to receive specific services, and the majority report using these services extensively. Most directors have strongly positive things to say about the TACs' usefulness. "They're the single most valuable service ever put out by the federal government," said one director. "When [the TAC] was fully funded it was magnificent."

Under Title I the TACs' function was restricted to offering technical assistance directly related to evaluation, under a 1974 provision stating that:

> The Commissioner shall provide such technical and other assistance as may be necessary to State educational agencies to enable them to assist local educational agencies in the development and

application of a systematic evaluation of programs in accordance with the models developed by the Commissioner. [2]

Under Chapter 1 the statutory provision under which the TACs' existence is justified is less specific. This may be one of the beneficial effects of Chapter 1's general lack of specificity, because it has permitted the TACs to become active in other areas related to program improvement, a development welcomed by the states. Some directors are especially in favor of the TACs' becoming more involved in program improvement activities, now that the states' own administrative funds have been reduced and SEAs have had to cut back some of their own technical assistance activities.

What do the TACs do for the states? In most states the TACs provide workshops and training both to SEA and to LEA personnel. Services offered by the TACs include workshops on computer assisted instruction and software selection, increasing the percentage of time students concentrate on learning activities ("time on task"), test selection and administration, and spotting invalid test data. In addition, TACs provide assistance in compiling some states' evaluation reports, and diagnosing how to improve less effective Chapter 1 projects and classrooms. TACs have provided staff in several states to carry out projects funded by the Secretary's Initiative to Improve Program Quality.

Only one state reported having had a negative experience with a TAC. In that state, conflict arose between the SEA and the TAC over the TAC's giving advice to LEAs that was contrary to state policy. This experience resulted in the state's discontinuing use of the TAC for several years. The state has recently resumed using the TAC, and reports no current problems.

When asked whether the TACs' mandate should be broadened, narrowed, or left "as is," twenty-nine states said that they were pleased with the current TAC activities. Several of these states mentioned that the TACs are underfunded, and expressed concern that the TACs' services might get spread too thin. No state wanted to narrow the TACs' activities; seventeen states would like to see the TACs spend a greater percentage of their time on areas not directly related to evaluation, such as improving instructional methods in Chapter 1 programs. One director commented:

> We're concerned with the cutback of TAC money. I have some concern about broadening the TAC mandate. The broader the TAC scope becomes, the greater the chances of political problems and bringing down the wrath of states on the TACs. [Congress] must keep the mandate very specific: the TACs' jurisdiction must be [limited to] federal education programs. The Chief State School Officers and the Department [of Education] need to work out the TAC functions.

Use of the National Diffusion Network

The National Diffusion Network (NDN) funds the nationwide dissemination of model educational programs, by giving those programs' developers money to travel around and present information about their programs in other states. Nineteen states report using NDN regularly to bring out-of-state speakers on model programs to Chapter 1 state or local workshops, or as a referral for LEAs seeking to improve their own projects. Fourteen other directors said that they use NDN "a little" or "very little." One of these directors, however, commented that between twenty and twenty-five districts in his state have adopted NDN programs.

Seventeen other directors report that their office is not currently using NDN. Of these, seven commented that LEAs in their state use the network, one said that the curriculum department within the SEA uses NDN, and nine asserted that NDN is not being used in their state (Table 6.4). Why isn't NDN used more? The most commonly cited reason for using NDN less was that due to cuts in funding, NDN is less active in the respondent's state. One state director, for example, reports having referred "poor-performing" districts to NDN before the program's funding was reduced two years ago. Other directors cited these reasons for using NDN less:

- LEAs are more interested in model projects from within the state rather than from other states (two directors);

- districts are more interested in modifying and improving their existing programs instead of adopting someone else's program from scratch (two directors);

- the Joint Dissemination Review Panel (JDRP)'s process of approving local Chapter 1 projects for dissemination is too time-consuming (one director).

Table 6.4
Do You Use the National Diffusion Network in Your Technical Assistance?

	Number of SEAs
Use NDN Regularly	19
Use NDN "A Little" or "Very Little"	14
Other Department Within SEA Uses NDN	1
SEA Does Not Use NDN, But LEAs Do	7
No One Uses NDN	9
Total Responding	50

Directors made the following comments on NDN:

> We use NDN some, but not as much as we would like. They help only when asked rather than going

around and offering extra technical assistance.

We occasionally bring in NDN to look at programs. We're putting together a sourcebook of effective practices, on how teachers implement high time on task and high expectations [of student performance]. [Good] programs may not be transportable.

[Our use of NDN has been] virtually nil: not at all in the last 2 years. There isn't enough money to take people to look at exemplary programs, and not enough money for dissemination of programs [to where people are]. The Secretary's Initiative will do an intrastate diffusion network.

[NDN] has a panel of researchers that wouldn't know a good prgram if they saw it. They need to get more educators on the panel, not just university researchers.

The Secretary's Initiative to Improve Chapter 1 Program Quality

In 1983, ED began a program of competitive grants to SEAs under the "Secretary's Initiative to Improve the Quality of ECIA, Chapter 1 Projects." The projects funded in that year consisted of attempts by states, working co-operatively in groups of three to five SEAs during the 1983-84 school year, to identify characteristics of successful Chapter 1 projects that contribute to those projects' success, and to develop means of getting other programs to incorporate those characteristics. In 1984-85 the Secretary's Initiative funded efforts by states to identify their most successful projects; the projects so identified, and validated by ED, will receive public recognition by the Department.

The Secretary's Initiative is an indication that, like the states, ED is showing increased interest in improving the effectiveness of Chapter 1 projects. The dollar amounts involved are small: in FY 1983, the Department awarded $1.048 million in grants to SEAs under the Initiative.

RECOMMENDATIONS

Efforts to improve program quality are an area where federal expenditures arguably have high "leverage"; the expenditure of modest amounts of money, relative to the overall size of the program, may significantly influence the quality of what is paid for with the rest of the Chapter 1 appropriation. ED has recognized the importance of emphasis on program effectiveness through the Secretary's Initiative.

Congress should encourage the move towards emphasis on program quality by focusing its own attention on this area, and by spending a small amount of additional money, in relation to the size of the overall program, on efforts to improve program quality. Common sense, and an extensive body of literature on educational change, indicate that educational improvement takes place at the level of the individual classroom and teacher. Consequently, Congress should ensure adequate funding for institutions that work directly with LEAs and Chapter 1 teachers. Specifically, this means:

1. Congress should provide the TACs adequate funding to expand their assistance to SEAs and LEAs to improve program quality. All of the states find the TACs useful, and increasing funding for the TACs is a relatively inexpensive way for Congress to influence the quality of the program. Providing adequate funding to the TACs would also improve the present situation in which SEAs and the Secretary's Initiative compete for limited TAC resources. Currently a number of states are unhappy because the Secretary's Initiative is using 25 percent of the TACs' time, while the states' own need for TAC services is not being met.

2. Congress should increase the funding available for state administration, with a statement of Congressional intent that the increment be used in direct assistance to LEAs to improve program quality. This funding could be used for additional training of Chapter 1 teachers and for active technical assistance to districts with less-effective projects.

As an example of what can be done in this area, one SEA is piloting a program (not limited to Chapter 1) to have state education personnel "adopt" and work intensively with schools where educational attainments appear to be the lowest. A team of SEA specialists will visit the 600 lowest-achieving school campuses in the state and work out a school improvement program

with local administrators. Afterwards, the state will assign one specialist to offer continuing technical assistance to each campus and see how the program is implemented. With more administrative funding, Chapter 1 offices in other states could carry out similar projects with their less well-performing districts.

3. In order to help ensure that state administrative money is well spent, Congress should call on the Department of Education to increase its technical assistance to SEAs, particularly by disseminating effective state practices. If particular state programs for improving program quality turn out to be effective, ED could actively encourage their adoption in other states. Congress should fund the Chapter 1 office in ED to visit SEAs once a year rather than once every other year, and encourage the Department to make the additional visit purely for the purpose of offering technical assistance, without the threat of enforcement action.

4. Congress should ensure that the Education Department has adequate long-term funding for its Secretary's Initiative. If the Department feels that their funding is secure, they will be more willing to carry out multi-year projects. This should improve the effectiveness of these projects by ensuring that changes begun in the first year are followed through in succeeding years.

5. Congress should fund the National Diffusion Network to expand its assistance to LEAs. Since teachers and schools most commonly seek to modify and improve what they are already doing rather than eliminating their entire program in favor of something new, Congress should urge NDN to develop ways for LEAs to adopt parts or characteristics of successful projects even if they are unwilling to copy the entire project.

The other major way for Congress to improve Chapter 1 program effectiveness is in the area of parent involvement, which is the subject of the next chapter.

NOTES TO CHAPTER 6

1. Data from one state are missing.

2. Education Amendments of 1974 (PL 93-380), U.S. Code Congressional and Administrative News, 1974, pp. 560-561.

Chapter 7
Improving Program Effectiveness: Parent Participation

The greatest change between Title I and Chapter 1 was the change in the parent participation requirements. Parent involvement had originally been introduced into Title I in part because of the belief, shared by many Title I activists and USOE, that parents would serve as a watchdog to keep the schools responsive to their children's educational needs. Parents, in this view, would help enforce the law's targeting requirements by calling attention to any violations.

However, as the original supporters of Title I parent involvement realized and a growing body of educational research suggests, parent involvement is also important for a different reason: improving the effectiveness of Chapter 1 programs. By involving parents in working with teachers and reinforcing and promoting Chapter 1 learning objectives in the home, schools can have an impact on student achievement. The positive effect that parent-teacher co-operation has on children's learning is one of the consistent findings of educational research, so much so that one of the less favorable recent assessments of the effectiveness of compensatory education concludes that:

> The studies we surveyed reveal that there is no input, no approach, no program characteristic that is repeatedly found to be relatively or absolutely effective -- with the possible exception of parent

involvement. [1] [Emphasis added]

Numerous studies of many kinds of educational programs indicate that parent involvement, or the lack of it, is an essential contributor to those programs' success or failure. [2]

Throughout the history of ESEA and ECIA, Congress has attempted to strike a balance between being prescriptive enough to guarantee that desired levels of parent involvement occur, but not so prescriptive as to deny districts the flexibility needed to design a parent involvement program suitable to local conditions. A parent involvement program that would work in New York City, for example, might be very different from the type of program effective in rural Montana.

Under Title I, Congress had moved steadily towards the "more prescriptive" side. Section 427 of the General Education Provisions Act, passed by Congress as part of the Education Amendments of 1969, authorized the Commissioner of Education to issue regulations on parent involvement in any federal education program if the Commissioner determined that "parent participation at the state or local level would increase the effectiveness of the program in achieving its purposes." Acting under this authority, USOE in 1971 issued a regulation requiring each LEA to establish a district-wide Parent Advisory Council.

The Education Amendments of 1974 required districts and individual buildings with more than 40 Title I students or one full-time Title I teacher to have elected Parent Advisory Councils (PACs). The amendments enacted in 1978, PL 95-561, and their accompanying regulations added requirements about the size and composition of PACs in buildings or districts with more than 75 Title I students. For example, PACs had to consist of at least eight members, elected for two-year terms, a majority of whose members were parents of children served by Title I, but at least two of whom had to be parents or teachers selected to represent children who were eligible for service but were not served. The purpose of the PACs was to have "responsibility for advising [the LEA] in planning for, and implementation and evaluation of, its programs and projects assisted under [Title I]."

Chapter 1 represented a major swing toward less prescriptive parent involvement requirements. The law repealed all parent council requirements, mandating only that Chapter 1 programs "be implemented in consultation with parents and teachers of [Chapter 1] children." The Technical Amendments added a requirement that LEAs "convene annually a public meeting, to which all parents of eligible students shall be invited, to explain to parents the [Chapter 1] programs and activities" and that districts "provide reasonable support" for

any further activities parents might desire.

ECIA's Effect on Parent Participation Levels

Although most Chapter 1 directors think that the 1978 requirements were too specific, a majority also feel that Chapter 1's weaker requirements have had a negative effect on parent involvement in their states (Table 7.1). Nine directors, by contrast, think that ECIA's impact on parent involvement has been positive. Of the thirteen states asserting that ECIA's effect on parent involvement has been neutral, three have strong state parent involvement requirements of their own.

Table 7.1
Did ECIA Help or Hurt
Parent Involvement?

	Helped	Hurt	Neutral	(Total)
Original ECIA	9	28	13	(50)
Annual Meeting Requirement	17	4	29	(50)

When asked whether specific types of parent involvement have increased or decreased in their states, twenty-three directors reported that "LEA training of Chapter 1 parents to work more effectively with their children in the home" has decreased under Chapter 1. Only eleven states report an increase in this activity.

Sixteen states report a decrease in volunteer help by Chapter 1 parents during school hours, thirty report a decline in LEA consultation with parents in the administration of the Chapter 1 program, twenty-nine indicate that LEA staff time devoted to parent involvement activities has fallen, while thirty-four have observed a reduction in the number of LEAs designating a specific staff person to serve as a parent co-ordinator. [3] Table 7.2 provides a summary of these state responses.

What do state directors like about the changes in parent requirements under ECIA? A large number of state directors felt that Title I overregulated parent involvement; consequently, many directors like the fact that Chapter 1 gave LEAs more flexibility to design programs to match local conditions. "Title I got downright dictatorial about what schools should do with parents," one state director commented. Much of the sentiment among the minority of directors in favor of ECIA's weaker requirements seemed to be a reaction against perceived excesses under Title I.

Seventeen states expressed the opinion that the annual meeting requirement in the Technical Amendments would have a positive effect on parent involvement in their states. Some of these directors commented that the requirement encouraged

parents who were concerned that Congress was neglecting the issue, and communicated the message that "the parent involvement requirement has not gone away."

Table 7.2
State-Reported Increases and Decreases in Specific Indicators of Parent Involvement

	Number of States Reporting An:			
	Increase	Decrease	No Change	
General Level of Parent Involvement	6	27	16	(49)
LEA Training of Chapter 1 Parents	11	23	14	(48)
Volunteer Work by Chapter 1 Parents	4	16	26	(46)
LEA Consultation with Chapter 1 Parents	8	30	10	(48)
LEA Staff Time Devoted to Parent Involvement	5	29	13	(47)
LEA Parent Co-ordinator Positions	0	34	14	(48)

Row totals do not equal 50 because of missing data.

However, twenty-nine directors think that the annual meeting requirement will have no effect on the level of parent

involvement in their states, and four think that in the absence of additional requirements, the provision's effects will be negative. These four argued that districts will be led to think that once they have held their annual meeting, they don't have to do very much more. "[The annual meeting provision] will make things harder for states that seek to require more," contended one state director. Another director commented that "There's not much challenge to one meeting a year."

Theoretically, a very large district could seek to meet the letter of the annual meeting requirement by holding only one centralized annual meeting somewhere in the district. With five exceptions, Chapter 1 directors think that in this situation, they could not rule the district out of compliance with the law; however, the consensus among directors was that "this wouldn't happen", and if it did, persuasive pressure from the state Chapter 1 office would get the school district to change its mind and hold a number of decentralized meetings.

ECIA's Effects on Parent Councils

How many districts retained their parent councils after the requirement was repealed? Two states continued to require district Chapter 1 PACs; a third state requires PACs by state law for schools receiving state compensatory education money, which flows to nearly every school receiving Chapter 1 funds.

In all, eighteen SEAs estimate that a majority of their districts retain PACs (seven of these have an actual count); twenty-three report that a majority of their districts have dropped their parent councils (of whom six count districts with PACs); and six report that half of their districts have PACs (two of those base this judgment on an actual count). Table 7.3 provides information on the number of states reporting that a majority of their districts kept parent councils. Large states, and Southern states, were most likely to report that the majority of their districts had dropped their PACs.

In nearly all cases district-wide PACs are much more common that individual building PACs, and small, rural districts have been much quicker to drop their parent councils than have larger, urban districts.

As further evidence that parent councils are more common in larger districts, thirty-three states report that all of their five largest districts have kept their PACs, and nearly all of the remaining states report that this is true for a majority of their largest five districts. Only one state reported a reverse pattern, that larger districts had dropped parent councils and smaller districts had retained them.

Table 7.3
Did Most LEAs Retain Parent Councils?

	Majority Retained PACs	About Half Retained PACs	Most Did Not Keep PACs
Total	18	6	23
Large States	3	2	9
Medium States	9	3	5
Small States	6	1	9
North/Midwest	10	3	11
South	1	2	8
West	7	1	4

Total SEAs Responding: 47

A majority of states (30) favor the reinstatement of a federal requirement that districts maintain district-wide PACs (Table 7.4). One state felt that the law should require a district to have a parent council if parents request such a council by petition. This director argued that it is wrong to mandate councils in cases where neither parents nor administrators want them. Other states argued that the ability to mandate PACs should be left up to the states, or expressed general satisfaction that PACs were no longer required.

Those directors opposing a federal PAC mandate made one or more of the following arguments:

- that PACs are best suited to large urban districts, the great majority of which have kept them anyway, and not to

small rural school districts;

- that districts should choose their own form of parent involvement, not have one imposed upon them;
- that PACs led to a lot of political activity that had nothing to do with educating children; and
- that going through the motions of having a PAC did not necessarily mean that a district had meaningful parent involvement.

Those favoring the reinstatement of a PAC requirement contended:

- that if Congress finds that PACs are inappropriate for small rural districts, Congress can make them optional in districts with less than 1,000 enrollment;
- that PACs proved themselves in the 1970s to be an effective way to get parents involved in schools and in their children's education;
- that the elimination of all PAC requirements has caused many schools to diminish their parent involvement efforts; and
- that to the extent that PACs mobilize parents for political action, that may be a good thing -- it can lead

to healthy democracy (with all its imperfections) on the local level and organized political resistance on the national level to cuts in Chapter 1 funding.

Table 7.4
Does the Chapter 1 Director Favor a Federal PAC Mandate?

	Yes	No
Total	30 (60%)	20 (40%)
Large States	8 (50%)	8 (50%)
Medium States	12 (67%)	6 (33%)
Small States	10 (63%)	6 (37%)
North/Midwest	18 (72%)	7 (28%)
South	5 (42%)	7 (58%)
West	7 (54%)	6 (46%)

Total SEAs Responding: 50

Chapter 1 leaves ambiguous whether states may use their state rulemaking authority to mandate parent councils. The House-Senate conference committee report on ECIA states that:

> The Act requires that the parents and teachers of children served by Title I be consulted regarding the design and implementation of Title I programs. The conferees believe the parental and teacher involvement is an important component of Title I programs and wish to make clear that it is an option of the local educational agencies to continue using Parent Advisory Councils (PACs) to comply with the consultation requirement. [4] [Emphasis added]

ED officials have told several states that Congress's use of the word "option" means that SEAs may not require parent

councils. Nonetheless, twenty-one states that do not now mandate PACs think that they would have the legal power to do so, provided they chose to and could get such a mandate through their own state rulemaking process.

Although few directors want a return to the detailed Title I parent council requirements of PL 95-561, twenty-three report that, in their opinion, those requirements had a positive impact on the level of parent involvement in their states. Of the twelve who felt that the 1978 requirements had a negative effect, two stated that the negative effect was the fact that the 1978 amendments generated political support for the later weakening of the parent involvement requirements. Other directors felt that the requirements were simply too detailed and prescriptive. One of these directors stated that "there was so much emphasis placed on meeting detailed regulations that people lost sight of the purpose for parent participation." Two directors cited problems dealing with contentious parents.

RECOMMENDATIONS

The troubling picture many Chapter 1 directors paint of stagnating or declining parent involvement provides a powerful argument that Congress should strengthen Chapter 1's parent involvement provisions. The problem before Congress is how to

do this without denying LEAs flexibility to develop models appropriate to local conditions.

One possibility is for Congress to specify the goals that LEAs' parent involvement programs must be designed to accomplish, without dictating the specific means that districts use to achieve those goals. In so doing, Congress would follow the approach that it has used toward the design of Chapter 1 projects in general. Title I and Chapter 1 have always specified the goal that LEAs' compensatory education projects must be designed to achieve: to meet the special educational needs of educationally deprived children. However, Congress has never mandated the specific instructional methods that districts must use to meet the students' special needs. Local districts are free to use any instructional methods they choose, provided those methods "are of sufficient size, scope, and quality to give reasonable promise of substantial progress" toward accomplishing the desired goals, and provided the districts evaluate their projects to see whether the methods used are working.

Correspondingly, Congress should amend Chapter 1 to include a Congressional mandate of the goals LEAs' parent involvement programs should be designed to achieve. The law should continue to allow districts flexibility on the means used to accomplish those goals, so long as those means are "of

sufficient size, scope, and quality..." In so doing, Congress can send out a message that says in effect, "The methods you use to involve parents are not so important, so long as those methods produce results."

What are these goals? The ultimate goal of parent involvement is, of course, to maximize the effectiveness of the program in meeting the children's educational needs. To accomplish that overall objective, each Chapter 1 parent involvement program should be designed to accomplish three subordinate objectives:

1. The program should inform each parent of a participating child what the Chapter 1 program is, why his/her child is in the program, and what the specific instructional objectives for the child are;

2. The program should train each parent, to the maximum extent practicable, to work with his/her child in the home to attain the Chapter 1 program's instructional objectives;

3. The program should consult with parents, on an ongoing basis, on ways the school can better work with parents to achieve the program's objectives. The goal of such consultation is to give parents a feeling of "owning" the program and of being partners in the education of their

children.

Further, Congress should stipulate that the district parent involvement program must be "of sufficient size, scope, and quality to give reasonable promise of substantial progress" toward meeting the above objectives, and that SEAs and the Technical Assistance Centers help LEAs develop non-burdensome methods of evaluating and improving their parent involvement programs.

Writing such a mandate into the law would give states greater leverage for working with their less active and effective districts. The SEA program reviewer could say, "Show me that you have a parent involvement program that can accomplish these objectives, and build a true partnership between the home and the school. And if you don't have such a program in place now, what can you do to develop one?"

Congress could, of course, give a strong indication of its support for parent involvement by voting a modest amount of money for it: for example, by funding SEAs or the National Diffusion Network to disseminate effective parent involvement programs, or by providing money earmarked for parent involvement directly to LEAs. Since additional money is in short supply, Congress may also promote Chapter 1 parent involvement by these other steps:

- Revise the statute to enable SEAs to use Chapter 1 reallocation funds to promote parent involvement. For example, SEAs could use those funds to disseminate model parent involvement programs within the state, or to provide additional funding for parent involvement co-ops such as Arizona's Parent Resource Pool.

- Incorporate a rule that if a certain number or percentage of parents in a district or school, e.g., 50 parents or 20 percent of the total number of parents, sign a petition that they want to operate a PAC, then a PAC would be required in that district or school, and the district should provide reasonable support for its activities. Certainly parents should be encouraged to operate a parent council if they want one.

- Clarify that SEAs have the power, under Chapter 1, to mandate parent councils if they so desire.

- If Congress keeps the matching provision for schoolwide projects, allow LEAs to count a specified amount of parent volunteer time in the classroom, or time spent conducting specified parent training activities, as their matching share in place of a financial contribution.

- Make symbolic changes in the statute to indicate Congressional interest in parent involvement. Thus,

Congress could incorporate into Chapter 1:

* A statement that "Congress finds that activities by schools to increase parent involvement are a vital part of Chapter 1. 'Parent involvement' includes, but is not limited to, parent input into the design and implementation of Chapter 1 programs, volunteer or paid participation by parents in school activities, and efforts by parents to improve their children's learning in the home."

* Explicit inclusion in the list of authorized Chapter 1 expenditures in Sec. 555(c) "expenditures associated with parent training, and with the attendance of parents at training sessions." Although these expenditures are permitted now as part of "other expenditures authorized under Title I...as in effect September 30, 1982," mentioning parent involvement expenditures directly would draw attention to their acceptability. This would also strengthen the provision in the Technical Amendments that:

> if parents desire further activities, the local educational agency may, upon request, provide reasonable support for such activities.

by approving expenditures for LEA-initiated parent

involvement activities.

- Encourage NDN to use more of its existing budget to disseminate model parent involvement programs.
- Encourage ED to make parent involvement the subject of the Secretary's Initiative in an upcoming year.
- Encourage the President to use his "bully pulpit" to call for parents to become more involved in their children's education.

NOTES TO CHAPTER 7

1. Mullin, Stephen P. and Summers, Anita A., "Is More Better? The Effectiveness of Spending on Compensatory Education," Phi Delta Kappan, January, 1983, p. 342.

2. A bibliography of 36 studies that indicate the importance and educational effectiveness of parent involvement is Henderson, Anne T., Parent Participation -- Student Achievement: The Evidence Grows (Columbia, Maryland: National Committee for Citizens in Education, 1981).

3. The last two measures of LEA parent involvement activity are ambiguous because reduction in staff time devoted to parent involvement may represent staff time saved because the old system was inefficient, or staff time reduced because

districts are not doing what it takes to involve parents. However, the wholesale elimination of parent co-ordinator positions may reflect and result in a lower priority for parent involvement in many districts.

4. House Conference Report 97-208, available in U.S. Code Congressional and Administrative News, 1981, p. 1109.

Chapter 8
Conclusion

This study found one important positive change that has occurred under Chapter 1: an increased interest on the part of SEAs and the Department of Education in improving the quality of Chapter 1 projects. Against this, there are several negative trends:

- reductions in children served, both in absolute numbers and as a proportion of total elementary and secondary enrollment;
- a feeling among the majority of SEAs that they are not receiving enough written guidance from the U.S Department of Education;
- reductions in state monitoring and technical assistance due to reduced federal funding for state Chapter 1 offices; and
- a decline in the level of parent involvement in many states.

These and other trends summarized in this report lead to four basic conclusions. First, in order to avoid further reductions in the number of children served and the quality of services provided, Congress must avoid the constant-dollar reductions in

Chapter 1 spending that will result from freezing Chapter 1 appropriations. Second, there is a need for the U.S. Department of Education to offer more guidance to states and LEAs. Third, Congress should encourage emphasis on Chapter 1 program effectiveness by providing additional funding to the Technical Assistance Centers, SEAs, the National Diffusion Network, and the Department of Education to carry out projects designed to improve that effectiveness. Fourth, Congress should strengthen the parent involvement provisions in the law to give LEA's a target set of objectives that their parent involvement efforts should be designed to accomplish.

The Case Against Freezing Chapter 1

As of early 1985, the Administration has proposed to freeze spending on Chapter 1; after adjusting for increased costs due to inflation, such a freeze will amount to a reduction in real spending on the program. Now is an especially poor time to reduce funding for Chapter 1, for several reasons:

a) The decline in elementary and secondary school enrollment that occurred during the 1970's, and which was one justification for earlier attempts to cut back Chapter 1, is expected to reverse beginning in the 1985-86 school year. Demographers forecast that enrollments are likely to increase

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throughout the rest of the 1980's and into the 1990's. [1]

b) The recent drive by states to strengthen schools' academic standards and upgrade high school graduation requirements will lead to more students dropping out or failing to graduate, unless steps are taken to ensure that low-achieving students are able to meet the stiffer requirements. Chapter 1 is designed to help these very students, and in many districts the program has no adequate local substitute.

c) Taking the longer view, many of the social problems that contribute to educational deprivation are not abating. Schools continue to work with increasing numbers of children from low-income homes, single-parent homes, and homes where parents or caretakers, by choice or necessity, spend less time with their children. Unless there is a reversal in the social trends that force schools to take over some of the functions of the home, our Nation's schools will continue to need all the help they can get to serve populations of children whose numbers and needs are not declining.

The Case for More Federal Guidance

By preserving federal enforcement powers in ECIA, Congress wisely recognized the importance of federal participation in the enforcement process to ensure that Chapter

1 funds are spent for the purpose that Congress intended. The history of Title I shows the importance of federal enforcement and supervision: in the past, lack of supervision by the federal government led to lax enforcement by the states, and abuses of federal funds at the local level. [2] Recent federal audits have shown that these abuses can still occur when there is inadequate supervision of LEAs' use of the money. One recently reported example is the use of Title I money to cover costs of a junior high school prom. [3]

Many districts continue to experience fiscal pressures which result in temptation to use Chapter 1 funds to supplant local spending. States, for their part, differ in the level of confidence with which they approach LEAs, as evidenced by different SEA interpretations of what state enforcement powers exist under Chapter 1. Consequently, the federal role is necessary to establish a minimum set of compliance standards that will apply across all 50 states, to ensure that states carry out their own monitoring and enforcement responsibilities, and to give the weaker SEAs leverage with the few districts that attempt to misuse Chapter 1 funds.

Where there is federal enforcement there must also be federal interpretation, so that federal enforcement actions, in the form of disallowed costs and requests for payback of funds, do not come as a surprise. Consequently, states must be able

to obtain complete information on what the federal enforcement standards are, particularly in gray areas that the Nonregulatory Guidance does not cover. ED must be able to provide that information in the form of opinion letters to states and districts that request them.

Although the Department of Education has resumed an active role in monitoring and providing information to states after an initial year of inactivism, most SEAs would still prefer to receive more guidance and "helpful answers" from the Department. Several factors appear to reduce ED's ability to offer guidance to the states. The Department has suffered from great turnover and loss of experienced staff from the Chapter 1 program office; and top-level administrators in the Department may be unwilling on occasion to provide interpretations and opinion letters to SEAs, out of a desire to avoid "regulation." Moreover, restrictions on travel money prevent ED's Chapter 1 program staff from visiting SEAs more than once every two years, and therefore limit the Department's ability to provide onsite technical assistance to SEAs outside the context of formal monitoring visits.

In the absence of interpretations by the Department, many SEAs have turned to Title I to answer questions on how to interpret and apply Chapter 1. This may indicate that Title I was not as overregulated as much of the rhetoric about Chapter

1 implied, but that the detailed regulatory framework under Title I was useful to SEAs. The states' use of Title I for guidance has provided continuity in the program; indeed, states were able to resolve much of the confusion about state and federal roles that existed during the first year of Chapter 1 by deciding that their own role had not changed from that under Title I. More of this confusion was eliminated when the Department of Education determined that it has continuing responsibility under Chapter 1 to monitor states to ensure that SEAs continue to provide monitoring and technical assistance to LEAs.

Increased guidance from ED concerning what standards the Department already intends to enforce will not deny the states flexibility to develop state interpretations of Chapter 1 which go beyond the minimum federal standards. States had much of this flexibility under Title I with its more detailed regulatory requirements. Nor is writing an opinion letter equivalent to issuing a regulation. In an opinion letter, the Department may make a statement that certain activities or approaches are permissible, without necessarily implying that alternative approaches are not permissible. Regulations and other enforced rules, on the other hand, define the limits of acceptable practice and exclude practices outside those limits.

The Case for Funding Efforts to Improve Program Quality

Although the desirability of taking steps to increase the effectiveness of Chapter 1 may seem noncontroversial, the real question is whether Congress is willing to invest additional resources to ensure that the large federal investment in Chapter 1 is well spent. In particular, as first priority Congress needs to increase funding for the Technical Assistance Centers, a service found useful by all fifty states. Congress's second priority should be to fund state Chapter 1 offices to take a more active role in offering assistance to Chapter 1 programs that need help.

A handful of states have taken on a more active technical assistance role, but most states have reduced their technical assistance in the wake of reduced funding. The fact that only two state legislatures have contributed funds to make up for the 1981 cutback in Chapter 1 administrative money should be an indication that if Congress wants SEAs to develop a more active role in improving Chapter 1 program quality, Congress is going to have to provide funding to help states develop such an effort.

Congress's third priority should be to encourage ED to develop multiyear Secretary's Initiative projects, making certain that activities funded in one year are followed up on

in subsequent years. For example, the 1983-84 Secretary's Initiative funded groups of states to identify and publicize effective Chapter 1 practices; follow-up projects in subsequent years might fund states to help LEAs put these successful practices into effect. ED might be more willing to develop such projects if it were more assured of reliable funding to carry them out over a several-year period.

The fourth priority should be to revive the National Diffusion Network, which many states are using less because there is less money to bring in workshop leaders from out-of-state NDN projects. Since schools are rarely willing to discard their entire program in favor of something new, Congress should modify the Network's mandate to emphasize dissemination of successful program components that schools may incorporate into their existing Chapter 1 projects.

The Case for Strengthening Parent Involvement

The case for strengthening Chapter 1's parent involvement provisions is supported by our knowledge about the importance of the home environment for student achievement, by the great volume of research evidence that parent participation can make a difference in that achievement, and by assessments by the majority of Chapter 1 directors that parent involvement has declined and that Chapter 1's weaker rules have hurt parent

participation in their states. The fact that social trends in our society may be working against parent involvement is all the more reason for Congress to devote more attention to parents' role in making Chapter 1 work.

Although Congress should give districts flexibility on the specific methods used to involve parents, the law should spell out the minimum objectives that each district's parent involvement program should be designed to achieve. Chapter 1 should mandate that each LEA's effort to involve parents be of sufficient size, scope, and quality to accomplish these three basic sets of objectives:

a) to inform each parent of a participating child what Chapter 1 is, why his or her child is in the program, and what the instructional objectives for the child are;

b) to train each parent, to the maximum extent possible, to work with his or her child in the home to attain those instructional objectives; and

c) to consult with each parent on ways to make Chapter 1 more effective for his or her child.

In order to help LEAs develop programs that are effective in accomplishing these objectives, SEAs must be funded and mandated to expand their technical assistance in

this area, and the Technical Assistance Centers and the Department of Education must assist SEAs in analyzing which effective local parent involvement practices may be adapted for dissemination.

Conclusion

In enacting Title I and Chapter 1, Congress recognized that educational equity -- providing an adequate education for all of our Nation's children -- is a critical part of educational excellence. This conclusion was recognized by the National Commission on Excellence in Education, which asserted in A Nation At Risk that:

> We do not believe that a public commitment to excellence and educational reform must be made at the expense of a strong public commitment to the equitable treatment of our diverse population. The twin goals of equity and high-quality schooling have profound and practical meaning for our economy and society, and we cannot permit one to yield to the other either in principle or in practice. To do so would deny young people their chance to learn and live according to their aspirations and abilities. It also would lead to a generalized accommodation to mediocrity in our society on the one hand or the creation of an undemocratic elitism on the other.

Now is the time for Congress to focus on excellence in compensatory education by investing the relatively modest number of additional dollars needed to ensure that Chapter 1 services do not decline and that institutions working to improve Chapter 1 program quality are adequately funded.

Congress should also address the quality issue by making needed legislative changes, particularly by strengthening Chapter 1's mandate on parent participation.

The fact that state legislatures have responded to A Nation At Risk by enacting measures designed to promote educational excellence, is all the more reason for increased emphasis on federally-supported compensatory education. The states' concentration on raising educational standards makes adequate federally-funded compensatory programs necessary, to enable the Nation's educationally deprived students to meet the more demanding state requirements.

NOTES TO THE CONCLUSION

1. National Center for Education Statistics, The Condition of Education, Table 1.1, p.14.

2. These abuses were well documented in Martin and McClure, Title I: Is It Helping Poor Children?

3. See Chapter 2, page 59 of this report.

APPENDIX A

QUESTIONNAIRE FOR STATE CHAPTER 1 DIRECTORS

Questions for State Chapter 1 Directors

Study by Chrys Dougherty for the House Committee on Education and Labor

I. Targeting/Service

1. How many LEAs in your state have Chapter 1 programs? Out of how many LEAs?

2. a) Has the number of children in your state served by Chapter 1 (unduplicated count) increased or fallen in the past 4 years?

b) Over the last 4 years, has Chapter 1 served an increasing or declining percentage of total elementary and secondary school enrollment in the state?

3. Do you keep track of how many of the children that are served are both low-income and low-achieving?

4. Were any LEAs in your state affected by the Technical Amendment allowing small districts (with less than 1,000 enrollment) to treat all their schools as eligible for Chapter 1 funds?

b) (For states that have such LEAs) Was this a good idea? Why?

5. a) With the exception of the "small LEAs" provision mentioned above, are the procedures LEAs in your state use to i) determine school eligibility and ii) decide which schools and children to serve, the same under Chapter 1 (with the Technical Amendments) as they were under Title I?

b) Are there any differences?

c) To determine which schools are eligible to receive Chapter I funds, do you require LEAs to rank them in order of income and select the lowest-income half?

d) Which of these additional rules were also invoked by LEAs in your state in their applications for the current year (1984-85) to make additional schools eligible:

i) the 25% rule;

ii) the "grandfather clause", making a now ineligible school eligible if it was eligible in either of the previous

two years;

iii) the rule making an otherwise ineligible school eligible if it has a substantially higher number of percentage of educationally deprived students;

iv) the rule granting eligibility to a school located in an ineligible attendance area, based on the composition of the student body in average daily attendance;

v) the no-wide-variance rule?

e) Is anyone doing schoolwide projects in your state?

f) In order to determine which schools to serve (assuming an LEA can't serve all of its eligible schools) would you allow an LEA to rerank its eligible schools by low-achievement, and serve those schools in order of low-achievement?

g) Are there any circumstances, other than those mentioned in the Technical Amendments, in which you permit an LEA to "skip" a school in favor of one ranked lower?

h) Did any LEAs in your state use the "all such children" provision in Chapter 1 when that provision was in effect? How many did so?

i) Do you interpret the "requires selection of the children in greatest need" provision to mean that, once the children in the greatest need have been served, an LEA may skip over the next neediest group of children and serve a group of less deprived children? (In other words, may an LEA serve children below the 15th percentile and between the 40th and 49th percentiles, skipping the children in between?) Or must LEAs work their way up from the bottom until the money runs out?

6. What flexibility do LEAs have to allocate different amounts of money (per educationally deprived child) to different schools in the district?

II. Monitoring, Enforcement, Technical Assistance, and Audits

7. a) How many full-time equivalent (FTE) staff do you have for monitoring LEAs?

b) Is this the same as your technical assistance staff, or are the two staffs separate?

c) Are the same individual(s) responsible for both monitoring and technical assistance to a given LEA?

d) How often does the least frequently monitored LEA in your state get monitored?

e) Do you monitor large LEAs annually? What counts as a "large LEA?"

f) Do you monitor larger LEAs with a team of people?

g) If an LEA hires a new Chapter 1 co-ordinator, do you always monitor that LEA that same year?

h) What flexibility do your monitoring personnel have to skip some items on your state's monitoring checklist and concentrate on others?

i) If you were to estimate the percentage of time on an average monitoring visit that is spent on compliance issues vs. the percentage of time spent on that same visit on issues of program quality improvement, what would those percentages be? (e.g. 60% compliance, 40% program improvement, or 30% compliance and 70% improvement)

j) How many years' experience do you have in Chapter 1 monitoring and enforcement?

k) (If the answer to (j) is more than 10 years) Are monitoring and enforcement of Chapter 1 easier than enforcement of Title I was ten years ago? Why?

6. a) In monitoring for comparability, do you check to see that the "district-wide salary schedule, and a policy to ensure equivalence in teachers, support personnel, and curriculum materials and supplies" was actually implemented?

b) Do LEAs have to keep records onsite to show that their pupil-teacher ratios and materials allocations were equivalent between schools as of a given date?

c) Do you require LEAs to submit comparability reports to you?

d) Would you favor reinstating the federal requirement that comparability reports be sent in to you?

9. a) On monitoring visits, do you go to private schools and observe the Chapter 1 programs offered there?

b) Do you talk to private school teachers and/or principals?

10. Which of these technical assistance activities do you engage in:

a) statewide conferences on quality and compliance issues;

b) local or regional conferences or workshops;

c) application-filling-out workshops for LEA Chapter 1 co-ordinators;

d) informal on-site visits to LEAs;

e) publication of a newsletter;

f) publication of a sourcebook;

g) other technical assistance activities (other than routine telephone consultation)?

11. a) Are you able to satisfy all requests for technical assistance? If not, what percent do you think you are able to satisfy?

b) To what extent do you make use of the National Diffusion Network in your technical assistance activities?

c) To what extent do you use of the Technical Assistance Centers for assistance, for your own agency and for LEAs?

d) What specific services does the TAC do for you?

e) If you were Congress looking at the TACs' mandate, would you leave it as is, broaden it, or narrow it (and if so, in what way?)

12. Did the reduction in the administrative setaside from 1.5% to 1.0% or less (or, for "floor" states, the fall in the real, inflation-adjusted level of the "floor") change:

a) the size of your professional staff? If so, by how much?

b) the frequency of your monitoring visits?

c) the thoroughness of your monitoring visits?

d) tount of technical assistance which you offer to districts

e) tber of SEA staff, or the amount of SEA staff time devotedrent involvement activities?

13. ur opinion, does Chapter I give you the power to withhold from school districts not in compliance with its provisio

14. e administrative allocation were increased:

a) windividuals elsewhere in the state bureaucracy prevent you utilizing the full increment?

b) ould you spend the additional dollars that would be madilable to you?

15. e Chapter 1 programs in your state currently being auditder the provisions of OMB Circular A102, Attachment P

b) I what is the most recent school year for which the Attachmeaudits have been completed?

c) Wes the Attachment P audits?

d) Wort of audit guide(s) do they use?

e) by use the OMB Compliance Supplement, do you find this suent adequate, or would you make any changes or additions to

f) Wains the auditors? Is this training required before they erform an Attachment P audit? If the training is not requ are there cases of auditors who have not received tra performing Attachment P audits?

g) u have confidence in the auditors' ability, given their ning and the audit guide(s) they use, to perform a conce audit of Chapter 1?

h) D monitor after the audits to check up on their quality?

i) the Office of the Inspector General (OIG) provided tecl assistance in your state in implementing the Attachment dits? If so, what sorts of technical assistance?

j) Has OIG conducted any audits of Chapter 1 (not Title I) in your state?

k) If so, what did they look at?

l) What audit exceptions (if any) were there?

16. a) How many of your school districts failed to maintain effort since Chapter 1 went into effect in 1982-83?

b) In your estimate, how many more (if any) would have failed had the "maintenance of effort" requirement continued to be 100 per cent? How many more?

17. a) Has there been a major push for school reform on the part of state officials in the past 3 years?

b) Has major school reform legislation passed in your state?

c) (If the answer to (a) or (b) is yes) Has this legislation affected Chapter 1 programs in your state? How? (Example: Minimum competency requirements for high school graduation might cause LEAs to shift more Chapter 1 money into the high schools.)

d) What effects do you anticipate these state school reform efforts will have on Chapter 1 programs in your state in the future?

e) Does your state have its own compensatory education (CE) program?

f) (If the answer to (e) is yes) In your state, has the exemption of state CE funds from the supplement-not-supplant rule had any effect on LEAs' allocation of those funds between Chapter 1 and non-Chapter 1 schools? If so, what has that effect been?

g) Was exempting state CE funds from the supplement-not-supplant rule a good idea? Why?

18. a) How frequently is the pullout method used in your state?

b) Do you recommend its use?

III. Evaluation

19. a) Do all LEAs in your state evaluate their Chapter 1 programs every year?

b) How often, and on what kind of cycle, do you collect evaluation data from the LEAs?

c) How often do you submit this data to the U.S. Department of Education?

d) What evaluation model are most of the LEAs in you state using?

e) Are any LEAs using a different model? How many, and what other model(s) are they using?

f) Do you recommend that LEAs use a particular model?

g) Do you require that LEAs use a particular model?

20. a) Do you still participate in the Title I Evaluation and Review System (TIERS)?

b) Do you find this system useful?

IV. Parent Participation

21. a) What effect has the ECIA had on the level of parent participation in your state? Would you say that ECIA has had a positive effect, negative effect, or no effect on the level of parent involvement?

b) In your opinion, did the 1978 Education Amendments (PL 95-561, under Title I) have a positive, negative, or neutral effect on the level of parent involvement in your state?

c) In your opinion, will the annual meeting provision in the Technical Amendments have a positive, negative, or neutral effect on the level of parent involvement in your state?

d) What "message" on parent involvement do you think parents and LEA administrators in your state perceive is coming out of Washington? Do parents and administrators perceive that Congress and the Education Department strongly favor, weakly favor, or are indifferent to parent involvement?

e) Suppose a large LEA in your state chose, in order to satisfy the annual meeting requirement, to hold a single centralized meeting, even though you personally felt that meetings in several decentralized locations were necessary to give all parents a reasonable chance of attending. Would you rule that LEA out of compliance with the annual meeting requirement?

22. a) Do you maintain a count of how many districts in your state operate Parent Advisory Councils? How many districts still do so?

b) If you don't have a tabulation available, would you estimate that a majority, 50%, or a minority of districts still maintain some sort of PAC?

c) Of the largest 5 districts in your state, how many still have PAC's?

d) Does your state require either districts or schools to have PAC's?

e) (If the answer to (c) is no) In your opinion, do states have the legal authority under Chapter 1 to require LEAs to have district-wide PAC's?

f) Do you favor a federal PAC requirement? If so, what sort of requirement would you support?

23. Please indicate whether you think each of these types of parent involvement activities has, in your opinion, increased, decreased, or remained the same in your state since ECIA went into effect, and whether in your opinion ECIA has had anything to do with the increase or decrease:

a) LEA training of Chapter 1 parents to work more effectively with their children in the home;

b) Volunteer help by Chapter 1 parents during school hours;

c) Volunteer help by Chapter 1 parents after school hours;

d) LEA consultation with parents in the administration of the Chapter 1 program (e.g. in preparing the upcoming year's Chapter 1 application);

e) LEA staff time devoted to parent involvement activities;

f) LEA designation of a specific staff person to work with parents (e.g. a parent participation co-ordinator);

g) The general level of parent involvement in your state.

24. a) Do you collect parent involvement information from LEAs as part of your state Chapter 1 evaluation?

b) In your opinion, what sort of parent involvement data might states collect that would meaningfully indicate whether parents are becoming more involved in schools and in their children's education?

V. General

25. Comparing Chapter 1 to Title I:

a) Has Chapter 1 made your job easier?

b) Did Chapter 1 reduce the overall number of person-hours required by your staff to adequately administer the program?

c) Did Chapter 1 reduce your administrative burden in any specific areas? In which areas?

d) Did Chapter 1 reduce the paperwork or administrative burden faced by LEAs? In what areas?

e) In your view, did Chapter 1 "rid schools of unnecessary Federal supervision, direction, and control?"

f) Would you prefer a greater degree of specificity in the Chapter 1 law or regulations? If so, what do you think ought to be specified, in what areas?

26. a) Would you prefer more guidance from the U.S. Department of Education (USDOE) than is now being provided?

b) (If the answer to (a) is yes) What specific types of guidance do you want that you are not now receiving?

c) How frequently, on average, have you communicated with USDOE in the last two years? On what subjects?

d) Has this changed over the past two years?

e) Has the Education Department's approach to Chapter 1

changed over the past two years? How?

27. Are there any other important Chapter 1 issues you think need to be brought to Congress's attention?

APPENDIX B

LIST OF INTERVIEWS WITH SEA DIRECTORS
AND OTHER CHAPTER 1 PERSONNEL

LIST OF DIRECTORS AND OTHER SEA PERSONNEL INTERVIEWED

State	Persons Interviewed	Date
Alabama	Joseph Kelley, Director	7/19/84 10/15/84
Alaska	State Chapter 1 Office Interviewed by Written Questionnaire	11/84
Arizona	Dean Hurd, Program Specialist Donald R. Kearns, Director	7/10/84 8/7/84 10/11/84
Arkansas	Elizabeth Gaston, Director	7/10/84 8/9/84 10/15/84
California	Hanna Logan, Director	7/9/84 10/12/84
Colorado	Betty Hinkle, Special Projects Virginia Plunkett, Director	7/12/84 7/13/84 10/11/84 10/12/84
Connecticut	Patrick Proctor, Director	7/23/82 7/27/84 10/18/84 10/29/84
Delaware	William Corkle, Director	7/2/84 10/17/84
Florida	Bill Pittman, Administrator Philip Roundtree, Director	7/9/84 7/5/84 10/12/84 10/15/84
Georgia	Billy Tidwell, Director	7/5/84 10/10/84
Hawaii	State Chapter 1 Office Interviewed by Written Questionnaire	11/84

Idaho	Patrick LeCertua, Director	7/18/84 10/12/84
Illinois	State Chapter 1 Office Interviewed by Written Questionnaire	11/84
Indiana	Marcella Taylor, Director	7/23/84
Iowa	Oliver Himley, Director	7/3/84 9/21/84 10/17/84 3/25/85
Kansas	Kenneth Gentry, Director	7/17/84 9/19/84 10/16/84
Kentucky	Bill Shouse, Administrator Joanne Brooks, Director (interviewed jointly)	7/13/84 10/17/84 10/18/84
Louisiana	Ed Green, Director	7/18/84 9/14/84 10/8/84
Maine	Donald Christie, Director	7/13/84 10/29/84
Maryland	George Lisby, Director Amon Burgee, Director	7/2/84 8/13/84 11/1/84
Massachusetts	Jack Baptista, Director	7/23/84 10/18/84 10/24/84
Michigan	Clarence Wills, Director	7/19/84 10/31/84
Minnesota	Jack Hanson, Director	7/18/84 9/19/84 10/29/84
Mississippi	A.J. Comfort, Director	7/19/84 10/29/84

Missouri	Don Snyder, Director	7/12/84
	Steve Barr, Acting Co-ordinator	10/19/84
Montana	Jay McCallum, Director	7/24/84
		9/20/84
		10/18/84
Nebraska	Elizabeth Alfred, Director	7/23/84
		11/2/84
		11/7/84
Nevada	Mary Peterson, Director	7/6/84
	Al Ramirez, Administrator	9/20/84
	Bill Arensdorf, Director	10/12/84
New Hampshire	Richard Hodges, Director	7/17/84
		11/1/84
New Jersey	Howard Shelton, Director	6/29/84
		11/7/84
New Mexico	Gilbert Martinez, Director	7/19/84
		9/21/84
		10/17/84
New York	Richard Bove, Director	7/16/84
		11/19/84
North Carolina	Robert Marley, Director	6/27/84
		11/8/84
North Dakota	Sam Lacher, Director	7/24/84
		10/31/84
Ohio	Arlie Cox, Director	7/11/84
		11/7/84
Oklahoma	Joe Birdwell, Administrator	7/25/84
	Frank Hobbs, Director	11/5/84
Oregon	Fred Buehling, Director	7/11/84
		9/19/84
		10/24/84
Pennsylvania	William Dallam, Director	7/6/84
		11/15/84
		3/20/84
Rhode Island	Phil Zarlengo, Director	7/24/84
		11/9/84

South Carolina	Garlin Hicks, Director	7/6/84 11/2/84
South Dakota	Dennis Gibbs, Director	7/9/84 11/15/84 11/16/84
Tennessee	Chester Hill, Director	7/10/84 11/27/84
Texas	Jim Wilson, Director	7/19/84 10/19/84 3/19/85
Utah	Jay Donaldson, Director	7/25/84 9/21/84 10/10/84
Vermont	Douglas Walker, Director	7/16/84 7/18/84 11/15/84 11/16/84
Virginia	Charles Conyers, Director	7/18/84 7/19/84 11/26/84
Washington	Judi Billings, Director	7/6/84 9/24/84 10/10/84
West Virginia	David Purdy, Director	7/3/84 11/26/84
Wisconsin	Myrna Toney, Director	7/27/84 11/20/84
Wyoming	Jerry Lewis, Director	7/17/84 10/22/84

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VITA

John Chrysostom Dougherty, IV was born in Austin, Texas, on September 18, 1951, the son of Mary Ireland Graves Dougherty and John Chrysostom Dougherty, III. He graduated from St. Stephen's Episcopal School in 1969 and received the degree of Bachelor of Arts from Antioch University West in March, 1981, with a major in General Studies. In February, 1982 he married Mary Ann Krausse. Chrys entered the LBJ School of Public Affairs at the University of Texas at Austin in September, 1983. He was the Johnson Congressional Intern in the summer of 1984, serving with the House Committee on Education and Labor. Prior to attending the LBJ School, he worked as a child care worker, elementary school teacher, and flight instructor, and attended classes in the Department of Economics at the University of Texas in the spring of 1983.